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Helios exits Equity with sale of final stake to the NSSF

Private equity firm more than quadruples its investment

BY VICTOR JUMA

The National Social Security Fund (NSSF) has bought a 5.58 per cent stake in Equity Group from private equity firm Helios Investment Partners in a deal that has seen the latter complete its exit from the bank at a massive profit.

Equity chief executive James

Mwangi told the *Business Daily* that Helios sold its remaining stake to the provident fund after ceding a total of 18.87 per cent shareholding to three other institutional investors.

The value of Helios' stake in Equity grew exponentially during the seven years it was in the bank, forcing it to rely on deep-pocketed buyers for a smooth exit.

EQUITY, Page 4»



"Helios's shares were seen as an overhang. They have surprisingly managed to sell at a premium on the market (NSE) price,"

JAMES MWANGI,
EQUITY GROUP HOLDINGS LIMITED CEO

ICPAK wants auditor Ouko to name rogue accountants

BY GITONGA MARETE AND
KIARIE NJORGE

The Institute of Certified Public Accountants of Kenya (ICPAK) wants the Auditor-General to release for disciplinary action the names of officials who failed to account for Sh67 billion worth of public funds that were spent in the financial year 2013/14.

ICPAK chief executive Patrick Ngumi said yesterday auditing is a legal process that is undertaken according to laid-down procedures which accounting officers cannot be allowed to ignore without sanctions.

"The report indicates that payments were not supported by invoices and receipts from service providers, updated asset registers were not provided and that a number of the agencies did not have audit committees and risk management policies as required by the Public Finance Management Act," he said.

Dr Ngumi said operating in such an environment was contrary to the requirement that procurement committees meet and minutes are taken before any expenditure is incurred.

"Is the Auditor-General saying that there are no documents to support all this?"

And we are talk- AUDIT, Page 4»

WELCOME

NAIROBI

China Southern Airline President Tan Wangeng leads his delegation on arrival at the Jomo Kenyatta International Airport after the airline's maiden flight to the country yesterday. See story on page 7.

COURTESY



BRIEFING

Uhuru reprieve for EACC top officials

Ethics and Anti-Corruption Commission top officials got a one year reprieve after President Uhuru Kenyatta rejected a Bill that would have forced them to serve on acting capacity pending vetting. Page 5»

Galvanised sheet makers in 13pc growth

Galvanised sheets factories have roared back to life, recording a 13.1 per cent output growth in the first three months of the year as demand for affordable housing reverses last year's declining trend. Page 6»



High fees discourage data roaming over EA

The high cost of accessing data bundles while roaming across East Africa has made Kenyan mobile subscribers shy away from using the service. Page 15»

Dollar exposure for Treasury up Sh219bn

Kenya's dollar-denominated debt rose Sh219 billion in the first four months of the year, exposing the country to higher interest costs following weakening of the shilling against the green back. Page 19»

NEWS INDEPTH



Sh500 trillion needed for new UN anti-poverty plan

Pages 12-13 »

TOP NEWS

Shollei tender team charged with fraud over CJ residence

➤ **GRAFT** Former chief registrar not in court, suspects released on Sh600,000 bail each

BY VINCENT AGOYA

Six members of the Judiciary tender committee which purchased a Sh310 million house intended for the Chief Justice have been charged with corruption.

However, former Chief Registrar Gladys Shollei, who led the committee and is the first accused in the case, was not before the anti-corruption court presided over by Chief Magistrate Kennedy Bidali yesterday.

She is reportedly out of the country and has promised to cut short her trip and return to face charges on August 24.

Francis Kakai, Martin Okwata, Benedict Omo-olo, Thomas Atak, Nicholas Mbema and Wycliffe Wanga denied that they engaged in buying the property from Johnson Nduya Muthama Holdings Limited without prior planning.

Their lawyer, Tom Macharia, successfully applied for their release on bond and has been allowed to get copies of witness statements and an investigation diary to prepare their defence.

The prosecution says that between October 5, 2012 and June 3, 2013, at the Supreme Court, Nairobi, being members of the tender committee, they jointly engaged in buying a fully furnished residential property for the Chief Justice at Sh310 million without prior planning.

Another charge states that they wilfully failed to comply with the law relating to tendering of con-

tracts and ignored the lowest evaluated price without justifiable and objective reasons.

They were further charged with failing to comply with the law and guidelines relating to the tendering of contracts by failing to ensure that the Judiciary did not pay in excess of the prevailing market prices in the purchase of the controversial residence.

Ms Shollei will be charged with abuse of office and wilful failure to comply with procedures relating to the management of funds.

The first charge states that between April 16 and April 30, 2013 at the Supreme Court, Nairobi, being the chief registrar and accounting officer of

the Judiciary, she used her office to improperly confer a benefit on Johnson Nduya Muthama Holdings Ltd by executing a contract and approving the payment of Sh310 million for the purchase of the CJ's prospective residence whereas public procurement and financial procedures were not complied with.

The second charge states that between October 5, 2012 and June 3, 2015 she wilfully failed to comply with the law regarding the management of funds and that the purchase of the residence was done in a manner that was not transparent.

Magistrate Bidali released the suspects on a cash bail of Sh600,000 each or bond of Sh5 million.

The case will be mentioned on August 24 for fixing a hearing date.

Gladys Shollei is reportedly out of the country and has promised to cut short her trip and return to face charges on August 24

First aid



Homa Bay

Kevin Obonyo, a Kenya Red Cross official, attends to Eric Omondi, a survivor of an accident involving two boats that collided on Lake Victoria yesterday. Two people were killed and 25 injured in the incident. BENSON MOMANYI

S Sudan's only brewery on verge of closure

Once hailed as a symbol of freedom, South Sudan's only brewery may be forced to shut down as the world's youngest nation reels from 19 months of civil war.

Drinks giant SABMiller opened the brewery in 2009, two years before South Sudan split from the north. The flagship beer was named White Bull, after the distinctive and valued cattle that are a symbol of national pride.

The brewery also represented the country's hard-fought freedom, won in 2011, from Muslim-majority north Sudan where Sharia law applies and alcohol is banned.

The Sh5 billion (\$50 million) brewery just outside the capital Juba was the single largest investment in South Sudan apart from the oil industry and one of the few ventures to provide much-needed tax revenue. But civil war, economic collapse, fuel shortages and a dearth of foreign cur-



Ripple effect

Besides affecting its workers, the closure of the brewery will affect thousands of people in distribution chain.

rency have put SABMiller's operation in jeopardy.

Managing director Carlos Gomes (above) said it was "difficult to continue with our operations", amid basic shortages of fuel to run generators and hard currency to buy materials. The brewery's entire operation runs on diesel generators and all raw materials except water are imported because South Sudanese farms cannot provide commercial quality grain, sugar or

yeast in the quantities needed. "We depend on imports of raw materials," Gomes said. "We cannot locally source enough diesel to keep our operations running... and now we do not have enough sufficient forex to run operations and production."

Gomes said around 100 workers, roughly a quarter of the total workforce, had been sent home on leave.

"The scaling down has already started," Gomes said, adding the rest of the operation was in a "very precarious position."

The brewery produced tens of thousands of litres of beer a day at peak production, as well as soft drinks and other products. It is owned by Southern Sudan Beverages (SSBL), a SABMiller subsidiary.

Now operations in the vast warehouses are stalled, the latest loss in a war that has left the fledgling nation in ruins. -AFP

Weekly Weather Forecast

East Africa	Monday	Tuesday	Wednesday	Thursday	Friday
Nairobi	Hi: 25°C Lo: 14°C	Hi: 21°C Lo: 13°C	Hi: 22°C Lo: 14°C	Hi: 23°C Lo: 13°C	Hi: 22°C Lo: 13°C
Kampala	Hi: 26°C Lo: 15°C	Hi: 25°C Lo: 12°C	Hi: 25°C Lo: 12°C	Hi: 26°C Lo: 14°C	Hi: 26°C Lo: 13°C
Dar-es-Salaam	Hi: 30°C Lo: 19°C	Hi: 28°C Lo: 22°C	Hi: 28°C Lo: 22°C	Hi: 29°C Lo: 22°C	Hi: 29°C Lo: 23°C
Kigali	Hi: 25°C Lo: 16°C	Hi: 27°C Lo: 12°C	Hi: 27°C Lo: 13°C	Hi: 27°C Lo: 14°C	Hi: 27°C Lo: 14°C
Bujumbura	Hi: 30°C Lo: 17°C	Hi: 31°C Lo: 15°C	Hi: 31°C Lo: 14°C	Hi: 31°C Lo: 14°C	Hi: 30°C Lo: 15°C

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RADAR SCREEN ■

ADVERTISING Audience research has become the currency by which organisations, individuals buy and sell media

Targeted media buying can raise value of exposure



BY JOE OTIN

Audience research has been a long-standing activity in the media and advertising industries. It all began in the 1960s when BBC commissioned the first audience measurement survey, and despite investing in it, the BBC chiefs of the day thought that they didn't need research because they already knew who was watching what.

That was a fallacy, as indeed the BBC quickly realised after the results were out that the audiences were not necessarily those that they targeted with specific content, and that several other factors affected viewership.

Fortunately, that strongly held view has now changed and audience research has become the currency by which organisations and individuals buy and sell media.

The landscape has changed tremendously from a past where most of the media was government-owned and monopolised to one that is liberalised with significant increases in media outlets across the world, fragmenting the audiences and creating a need for science-based methods of targeting audiences.

In Kenya, for example, there are 50 TV channels with digital broadcast licences, and more than 170 radio sta-

tions, over 10 daily newspapers and over 50 periodicals.

Audience research measures how many people are in an audience in relation to radio listenership, TV viewership, newspaper readership, and increasingly web browsing. It includes practices that help media and advertisers determine who is watching rather than just how many people are watching.

There are several ways of collecting this data credibly but the main ones are either passive or declarative. Passive measurement refers to a system of being able to collect data about individual or household media consumption using electronic means and without the respondents having to note or record their media consumption over periods of time.

This includes the use of People Meters to measure television, Personal

People Meters to measure television and radio, and software-based mobile data collection methods for radio, television and outdoor, among others.

A major benefit of these systems is that they do not require memory or diligent compliance as is the case in the declarative systems and are therefore considered more

accurate and having finer details.

Declarative audience measurement refers to quantitative research that requires the respondents to state, record or note their media consumption over time. It relies on the diligence of the respondent to fill in their paper or electronic media diaries and also on their memory.

Without the electronic and passive



3 Mice Interactive Media CEO Ali Hussein Kassim speaks at a training programme offered by the International School of Advertising in Nairobi in September last year. SALATON NJAU

forms of measurement, declarative audience research has proven to be accurate but without the finer details. It includes paper media diaries, laptop-based interviews, daily recall telephone interviews, and mobile text-based questionnaires.

Findings from audience measurement affect a number of major stakeholders, including the media, major brands, government, and the advertising industry. That is why the data provision is governed and commissioned by industry associations that bring together the stakeholders that are most affected by the research.

In some markets there are purely media-driven associations focused on specific media channels, such as BARB in Britain, which is an association of radio stations that commission and fund the national radio audience research. We see the same for TV, print and the Internet in various markets around the world.

In Kenya the audience measurement journey began with Steadman and Research International coming together and offering a research product to the market on their own initiative. This product grew into the major form of audience data provided quarterly from eight provinces, purely on a commercial basis.

It was not until 2007 when the industry stakeholders came together to form the KARF (Kenya Audience Research Foundation), and commissioned an improved study that would provide a bigger sample and

continuous data collection that had quarterly releases with monthly rolling windows.

This was the first time ever that the country had monthly data at a standard rate, as a result of the steady funding that came from the organised joint industry association.

The immediate result was improved data upon which advertising agencies could use to plan their media and demonstrate a return-on-investment (ROI) to their clients, the advertiser.

With improved metrics and demonstrated value, advertising expenditure began to grow in double digits following many years of small, incremental growth.

This was demonstrated very clearly during the world financial crisis when the multinational advertisers cut their advertising expenditure in many parts of the world.

Kenya's total advertising spends, however, continued to grow significantly at the expense of many countries in Africa.

The reason? The large advertisers could justify their spending where they were able to have a clear view of the value of media and calculate their ROI — which can only be done in a country that has a media currency with continuous measurement.

In 1999 audience research companies and other stakeholders in Africa came together to form PAMRO (Pan-African Media Research Organisation) to create a uniform research

infrastructure in Africa for the development of the media and advertising industries.

Despite their early entry, the crusade has been slow and every gain has been hard-fought. To date 17 countries in Africa have some semblance of audience research. Even fewer still are able to provide continuous media data.

The good thing is that new technology is providing a lower cost of entry and a number of organisations are filling the gaps, which is highly appreciated by the multinational advertisers who want to spend in specific markets but do not have the mandate to do so without any measurement data.

One of the major achievements of PAMRO is getting an updated set of Social Economic Segmentation for Africa, which will be unveiled during this year's annual conference in Dar es Salaam, Tanzania from August 23-26, 2015. This measure really fits in at the beginning of audience measurement in regards to knowing who your audience is.

For the advertisers, they have specific target groups for their products based on affordability to that group, or in other words to understand the level of affluence of the target audiences so that they can plan to reach them efficiently with their advertising messages.

Mr Otin is the CEO, The Collective — Interactive Ad Agency

Zimbabwe court postpones trial of Cecil the lion's accused

A Zimbabwean court on Wednesday postponed to Sept. 28 the trial of a local hunter accused of failing to stop American dentist Walter Palmer illegally killing the country's most prized lion last month.

Theo Bronkhorst was arrested last week and charged with breaching hunting rules when he helped

Palmer lure Cecil, a rare black-maned lion, out of Hwange National Park and shoot him with a bow and arrow, in a case that caused international outrage online and put the spotlight on big game hunting in Africa.

Bronkhorst has yet to plead in court but has publicly denied any wrongdoing. He appeared for the short hear-

ing in Hwange, western Zimbabwe, where his lawyer requested the adjournment.

Givemore Muvhiringi said another attorney who was meant to argue the case was unavailable and that the defense needed more time to prepare for the trial.

If convicted, Bronkhorst faces a fine

of \$20,000 and up to 10 years in jail.

Zimbabwe has called for the extradition of Palmer to face trial for poaching. In reaction to the Cecil furor, three U.S. airlines have banned the transport of lion, leopard, elephant, rhino or buffalo remains killed by trophy hunters.

— **REUTERS**



Professional Zimbabwean hunter Theo Bronkhorst leaving the magistrate's court after proceedings on poaching charges. AFP

TOP NEWS

ICPAK wants rogue government accountants named

»From Page 1 ing about billions of shillings and not petty cash for office tea,” he added.

Dr Ngumi demanded that the Auditor-General, or any other person authorised to do so, release the names of the accounting officers involved so that ICPAK could take disciplinary action against them.

He said finance departments of the institutions mentioned had accountants and chief finance officers who should be held accountable for the auditing gaps that are expressly unlawful.

“Let them stop talking too much and put faces to these people so that we deal with them if indeed they are our members. ICPAK will deregister them and go to an extent of pressuring their bosses to sack them,” he told journalists

at a press conference on the sidelines of the institute’s Enterprise Risk Management conference at the Mombasa Continental Beach Resort.

On Tuesday last week, Auditor-General Edward Ouko released a report indicating the national government was unable to account for Sh66.7 billion.

Key ministries including Health, Transport and Infrastructure, Foreign Affairs, Education and the Attorney-General’s office were among those accused of failing to provide supporting documentation on how they spend public funds.

Cabinet secretaries of the affected ministries have since come out fighting, claiming to have provided relevant documentation.

But speaking on Citizen TV’s Cheche

show on Wednesday morning, Mr Ouko said the said explanations had come too late despite the clear timelines set for audit.

“That’s what happened in most cases. People who really should take charge are not taking the audit process seriously and are only reacting at the tail end. So these things come well after I’ve signed off,” Mr Ouko said, adding the report was out of his hands, having handed it to the ministries and Parliament.

Any explanations, he said, would have to be made to the National Assembly’s Public Accounts Committee.

In a statement released Thursday last week, Treasury secretary Henry Rotich said that requested documents were provided at the final stages of the

audit review because the Kenya National Audit Office (Kenao) gave accounting officers very little time to respond.

But Mr Ouko said that the audit process is a back-and-forth process that takes months, including the release of the first draft to the audited entities — giving them enough time to explain the spending.

“The Public Accounts Committee has the statutory mandate to take a review of the reports and report to Parliament. The committee must take a leadership role in the enforcement of the Auditor-General’s recommendations,” Dr Ngumi said.

The storm generated by Mr Ouko’s report has seen some key officials under his office threatened but he said, “we take it in our stride.”

MPC holds interest rate at 11.5pc after inflation dip

BY CHARLES MWANIKI

The Central Bank of Kenya (CBK’s) monetary policy committee yesterday held the base lending rate at 11.5 per cent, citing the fall in July inflation and a stabilising foreign exchange market.

In a statement, CBK governor Patrick Njoroge, who also chairs the MPC, said that the move is meant to allow the economy to factor in the previous two rate increases.

In its last meeting on July 8, the MPC had raised the CBR for the second time in as many months as it looked to tame inflationary pressure and stabilise the shilling. It had also raised the Kenya Banks Reference Rate (KBRR) to 9.87 per cent from 8.54 per cent.

“The Committee concluded that the measures taken in the previous meetings were yet to be fully transmitted to the economy. In particular, the impact of the increase in the KBRR takes effect from August 2015,” said Dr Njoroge.

Dr Njoroge added that open market operations and the sale of foreign exchange by CBK have stemmed the volatility in the shilling and resulted in tight liquidity conditions, while current reserve levels and precautionary facility with the IMF offer a buffer against short-term shocks.

While some analysts had said ahead of yesterday’s meeting that it would be prudent to allow for the pass-through of the previous hikes, others pointed at the continued weakness of the shilling as reason for expecting a hike.

The shilling, while less volatile in the past month, still remains under pressure and has continued to exchange above the 100 units mark to the dollar.

The current account deficit is also widening, although CBK expects support from rising diaspora remittances and improved performance in tourism and agriculture.

CBK’s main target is inflation rather than exchange rate, however, and the MPC said it that it remains ready to employ the tools at its disposal to maintain overall price stability.



Central Bank of Kenya governor Patrick Njoroge.

Helios exits Equity with sale of final stake to NSSF

»From Page 1

“Helios’s shares were seen as an overhang. They have surprisingly managed to sell at a premium on the market (NSE) price,” Mr Mwangi said.

Analysts said selling the shares in the open market would have flooded the market with the stock and resulted in a depressed share price that would work against the other shareholders.

This is the first time the NSSF has invested in Equity, a move that marks an expansion of the provident fund’s interests in Kenya’s banking sector.

The fund, which is owned by workers but controlled by the government, is a significant shareholder in a number of lenders, including National Bank where it has a 48.1 per cent stake, KCB (6.17 per cent) and Housing Finance (2.25 per cent).

The NSSF’s acting managing trustee Anthony Omerikwa did not respond to our queries by the time of going to press.

The Equity deal is estimated to be worth at least Sh9.7 billion based on Sh47 per share — the lowest of the several sell-off prices by Helios.

This takes Helios’ earnings from the bank to a total of Sh44.1 billion, quadrupling the Sh11 billion it paid in December 2007 to acquire the 24.99 per stake.

The London-based PE firm also collected dividends totalling Sh6.5 billion from Equity, taking its total return on

investment to 360.9 per cent or 24.3 per cent compounded annually.

This makes it one of the highest returns earned by a PE firm in Kenya, underlining the lucrative earnings by such funds that typically have a seven-year investment horizon.

Mr Mwangi said that unlike Helios, the new institutional investors, including the NSSF, have a long-term commitment and are ready to raise their stake or provide additional equity financing to

further grow the bank.

“We now have long-term investors willing to participate in future fund-raising,” Mr Mwangi said. “Right now we don’t need new money but if we keep growing at the current rate we could do a rights issue.”

The bank intends to venture into nine new African markets by 2024, a move that will raise its operations to a total of 15 countries in Africa.

The expansion plan is expected to necessitate the raising of new capital to fund the envisaged acquisitions or greenfield ventures.

Equity is currently in the process of acquiring 79 per cent of ProCredit, a bank in the Democratic Republic of Congo that it plans to pay for through a share swap.

Mr Mwangi said Norwegian sovereign wealth fund Norfund — which was the first to buy a 12.22 per cent stake in Equity from Helios — has expressed its intention to double its interest to 25



Helios’ Equity exit

The PE firm had invested Sh11 bn in the bank

Buyer	Stake (%)	Amount (Sh bn)
Norfund*	12.22	22.6
NSSF Uganda	2.44	4.5
Genesis (UK)	4.21	7.3
NSSF Kenya**	5.58	9.7
TOTAL	24.45	44.1

*Price based on NSE quotations

**Price based on Genesis’ deal (the lowest)

SOURCE: HELIOS, BD RESEARCH

An Equity Bank branch in Nairobi. The NSSF has invested in the bank for the first time, expanding the provident fund’s interests in Kenya’s banking sector. FILE

Founders of Equity have benefited from its stellar performance that has attracted a host of new investors, pushing up the share price and ultimately inflating shareholders’ paper wealth.

Equity’s Sh8.5 billion net profit in the half year ended June was more than 24 times the Sh344 million it made in the whole of 2005 when the then building society converted into a commercial bank.

The bank’s half-year net profit was only second to KCB’s Sh9.2 billion, with both lenders having benefited from a double-digit rise in interest income.

Equity, which revolutionised retail banking in Kenya with zero-balance accounts, has 10 million customers and has amassed Sh400.9 billion in assets. The stellar performance has attracted large institutional investors, including the new ones that helped Helios harvest its multi-billion-shilling investment.

Thousands of individual investors have also bought into the lender, sustaining a long-term price rally despite a massive expansion of its share units.

Equity’s market valuation has risen from Sh6.3 billion in 2006 to Sh144 billion currently, multiplying each shilling 22.8 times.

The bank now has 3.7 billion shares following a 10:1 split in 2009 and the creation of nearly 200 million shares in 2007 for issuance as bonus shares.

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Right now we don’t need new money but if we keep growing at the current rate we could do a rights issue

JAMES MWANGI
EQUITY CEO

ECONOMY & POLITICS

NEWS | REVIEWS | ANALYSIS

Reprieve for EACC officers as Uhuru rejects Bill proposals

► **REFORMS** Mr Waqo and his deputy Mubea will be vetted afresh within a year

BY EDWIN MUTAI

Ethics and Anti-Corruption Commission (EACC) top officials got a one year reprieve after President Uhuru Kenyatta rejected a Bill that would have forced them to serve on acting capacity pending fresh vetting.

The agency's chief executive Halakhe Waqo and his deputy Michael Mubea will remain in office after President Kenyatta returned a memorandum on the Ethics and Anti-Corruption (amendment) Bill, 2015 to Parliament for reconsideration.

"This is contrary to Section 17(2) of the Act which requires the Commission to inform the secretary in writing of reasons of the intended removal, and shall give the secretary an opportunity to respond thereto in writing," Mr Kenyatta said.

The proposed changes, he added, also contradict Article 47 of the Consti-



Ethics and Anti-Corruption Commission chief executive Halakhe Waqo. FILE

tution which confers on all persons the right to administrative action which is expeditious, efficient, lawful and procedurally fair.

Kiminini MP Chris Wamalwa had sponsored changes to the Bill. Mr Kenyatta recommended that Mr Wamalwa's proposals be deleted and replaced with a new transitional provision.

"Every person who immediately before the commencement of this Act as an employee of the commission shall continue to serve in his or her respective position... provided that the commission shall within a period of one year after the appointment of commissioners under this Act... vet such employee to ensure he or she is fit and

proper to continue serving as such," read Kenyatta's new amendment.

He also proposed that the services of any person who fails to meet the vetting criteria established by the Commission be determined in accordance with the contract of employment.

This means that new commissioners who will take over office will have a free hand to vet afresh all secretariat staff including Mr Waqo and Mr Mubea within a year after taking office.

The EACC has no commissioners following the resignation of Chairman Mumo Matemu in May, Irene Keino in April and Prof Jane Onsongo in March citing personal reasons.

emutai@ke.nationmedia.com

Barclays to give youths Sh15m start-up loans

BY STELLAR MURUMBA

Barclays Bank has joined the list of financial institutions which have created products to enable enterprising youth nurture their ideas to fruition.

Managing director Jeremy Awori (right) said the bank had restructured its loan products "to nurture and encourage best talents, ideas and skills to make a change."

The bank's product dubbed Zidisha, for instance, will see innovators and startups acquire loans of up to Sh15 million for growth and development without collateral.

"Money is just a factor. Time, energy together with an ecosystem of experienced individuals is also paramount," said Mr Awori yesterday at the launch of the University of Nairobi's Innovation Week. The bank is one of the event's platinum sponsors, having injected Sh2.5 million to host it.

Konza Technopolis Development Authority CEO John Tanui said Kenya was moving in the right direction, having doubled its research and development expenditure to two per cent of gross domestic product.

"We might not be ranked as Israel or Korea but we are in the right direction. We are fast learners and



Innovation Week

■ An annual event by the University of Nairobi to encourage youths with innovative ideas to launch start-ups.

Konza City being structured by the government is a key step to provide ecosystem component in driving our country to higher global ICT innovations," he said.

An American-Israeli journalist and author, Saul Singer, who was one of the panellists during the event's launch said the goal of innovation was critical and Kenyans need to participate from whatever capacity.

"Through creative tension, Kenyans need to challenge themselves and the state to get a higher outcome and make the country competitive in the global market," he said.

Sonko sues ministry and City Hall over bumps erected on Thika Road

BY VINCENT AGOYA

Nairobi Senator Mike Sonko has moved to court seeking a compulsion order against the Transport secretary and the county government to remove bumps and rumble strips erected along Thika Highway.

The senator argues that the bumps and rumble strips cause unnecessary traffic jam.

His request through lawyer Harrison Kinyanjui to have a trial court relocate to the Survey of Kenya and Homeland/Kenya Breweries points along the highway for "impact assessment" has been upheld, but the presiding judge is yet to set a date and time for the visit.

Mr Sonko claims that the barriers have been a source of headache for city motorists plying the highway.

"In executing the prayer as sought, it is desirable that the court designates a point of assessment of the traffic flow at least 300 meters before the said bumps on either side of the road," Mr Kinyanjui said.

He said the court needs to assess the impact of traffic jams caused by the "respondents inaction" at the highway.

The suit also names the principal secretary of Transport, Kenya National Highways Authority, Kenya Roads Board, Kenya Urban Roads Authority and the Attorney General as respondents.



FIRST CLASS ICT CONNECTIVITY IN EAST AFRICA

The *EastAfrican* will on August 8th 2015, carry an informative feature focusing on;

- Bridging the digital divide with high speed internet 4G LTE.
- How to minimize costs of 3G and boost usage of data.
- The Mobile Money opportunities and reaching the unbanked.
- Optimizing performance through Cloud services and dedicated hosting.
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The EastAfrican 20 YEARS

ECONOMY & POLITICS

Galvanised sheet makers in 13pc growth

ROOFING Manufacturers produce 70,103 tonnes in first quarter, up from 61,930 last year

BY NEVILLE OTUKI

Galvanised sheets factories have roared back to life, recording a 13.1 per cent output growth in the first three months of the year as demand for affordable housing reverses last year's declining trend.

Manufacturers shrugged off sustained competition from roofing tiles and shingles to produce 70,103 tonnes of iron and steel sheets in the first quarter, up from 61,930 tonnes in a similar period last year, the Kenya National Bureau of Statistics indicates.

"This growth has been fuelled by increased investment in affordable housing units with roofing sheets," said Steven Oundo, the National Construction Authority chairman, adding that producers had responded by ramping up their output.

Mr Oundo said that though the use of shingles and tiles has been on the rise due to their aesthetic appeal, they are

more costly, with the bulk of aspiring homeowners in small towns preferring galvanised sheets.

The sheets have also become popular for rain water harvesting in homes, said Mr Oundo.

Tactile Roofing Solutions prices shingles at Sh800 a panel, which measures 0.45 by 1.3 metres

The cost of a galvanised sheet ranges between Sh304 per metre and Sh488, based on the manufacturer and the gauge (thickness).

A slump in the first quarter of last year resulted in a 7.5 per cent drop in production attributed to weak demand.

The rebound has positioned producers to gain from the property boom which has lifted sales of cement and paint. Mabati Rolling Mills yesterday said sales had grown faster this year but did not wish to give details. Pro-



Steven Oundo, the National Construction Authority chairman: Growth in galvanised sheets has been fueled by increased investment in affordable housing. DIANANGILA

ducers have increasingly adopted rust-free sheets which come with an alloy coat of aluminium and zinc which has sharpened their competitive edge.

Deep-pocketed investors

Deep-pocketed investors and homeowners have, however, increasingly opted for shingles and tiles since the roofing materials fit within their description of high-end homes.

Working class Kenyans and high-

net worth investors have in recent years poured billions of shillings in real estate as they look to own homes and earn returns respectively.

Kenya National Bureau of Standards data shows that the volume of cement consumed in the first five months of the year rose to 2.26 million tonnes from 2.05 million in a similar period last year, reflecting the property boom.

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UN body helps relocate 2,969 refugees back to Somalia

BY ALLAN ODHAMBO

Some 2,969 Somalia refugees have so far voluntarily returned home since last December under a UNHCR-backed support programme, easing pressure on resources at the Dadaab camp in northeastern Kenya.

The camp that is located on the border with Somalia has been stretched due to intermittent conflict in the Horn of Africa country and currently holds about 333,000 refugees.

"Despite the fragile security environment situation in Somalia, refugees have started to return," the United Nations High Commission for Refugees said yesterday.

Two planes carrying 116 Somali refugees touched down at the Mogadishu International Airport, boosting an initiative by a tripartite commission formed by UNHCR and the governments of Kenya and Somalia to step up support for voluntary repatriation of refugees from the Horn of Africa nation.

The UNHCR said between December 2014 and early August, some 2,969 Somali refugees have returned to the districts of Luuq, Baidoa and Kismayo, with its support as part of the pilot phase.

More still have returned spontaneously without receiving assistance from UNHCR. Under the current agreement, assistance will be provided to returnees to any area of Somaliland, Puntland and South Central Somalia.

UNHCR support includes standardised financial and in-kind assistance to ensure safe and dignified return, as well as longer-term support to help returnees re-integrate in areas they once fled from.

"The majority of the returns from Kenya to Somalia will continue to take place by road as has been the case during the pilot phase, and only for people with specific protection needs will UNHCR facilitate airlifts," the UN agency said.

Kenya is set to receive a Sh3 billion from UK to finance humanitarian operations at Kakuma and Dadaab camps even as it fights to reduce the number of refugees from South Sudan and Somalia amid security concerns. The UK government said the amount would help deliver life-saving aid and protection to more than 530,000 refugees living in the two camps.

"The UK is committed to continuing to help Kenya in providing humanitarian assistance and protection for refugees," Lisa Phillips, head of the UK's Department for International Development Kenya, said.

MPs split in bid to change next polls date to December

BY EDWIN MUTAI

MPs were yesterday split on whether a constitutional Bill seeking to push the election date from second Tuesday of August to third Monday of December every five years should be subjected to a referendum.

A majority of MPs backed the proposed Constitution of Kenya (Amendment) Bill, 2015 sponsored by Ugenya MP David Ochieng' that seeks to shift the date of the next General Election to December 2017.

The Constitution stipulates that the General Election will be held on the second Tuesday of August every five years. Speaker Justin Muturi is expected to rule on whether amending the Constitution to push forward the election date will require a referendum.

He is also expected to rule on whether the Constitution allows MPs to make amendments to a constitutional amendment Bill during its third reading.

Unlike in the old Constitution, the 2010 Constitution is not clear on whether MPs have a window to amend a Bill seeking to amend the Constitution.

Majority Leader Aden Duale and Justice and Legal Affairs committee chairman Samuel Chepkonga asked Mr Muturi to rule on the two matters.

Irrigation body resists ministry proposals that will clip its powers

BY GERALD ANDAE

A fresh row has erupted between the National Irrigation Board (NIB) and the Agriculture ministry over proposed laws to govern implementation of projects worth billions of shillings.

NIB officials said the ministry failed to consult them during the drafting of the Irrigation Bill 2015 which seeks to give the Agriculture secretary control over their programmes.

Among its highlights, the draft Bill proposes the abolition of NIB and creation of a new body known as the National Irrigation Development Service to take up its roles.

The new agency's director, an appointee of the Agriculture secretary, will have overriding powers over board members who include a chairman appointed by the President.

The Bill also introduces new qualifications that require all serving employees of NIB to re-apply for their jobs.

"This Bill belongs to NIB and the ministry would have consulted us before making their own amendments on what we had already



A farmer irrigates her crop in Nyanza. FILE

drafted," NIB chairman Sammy Letema said.

Apart from roads and railway networks, irrigation is one of the sectors in which the government has been investing a lot of money — averaging Sh9 billion annually over the last 10 years. If the Bill is adopted, the NIB director will have powers to approve applications for any irrigation projects, monitor them and enforce conditions attached to licences for all projects a function currently undertaken by board members.

"NIB will not be party to the Bill

that contains contentious clauses that can be detrimental to the current staff of the irrigation body," Dr Letema said.

The sharp disagreement between the agency and its parent ministry is likely to further delay the search for a national legal framework for irrigation.

In 2011, the same Bill was rejected by the NIB board of management after the government failed to involve them at the drafting stage.

"This is a government agency and its re-organisation should not result to job losses for the serving employees," he said.

NIB has written to the ministry of Agriculture over the matter as it rushes against time to make the necessary amendments before August when it is supposed to be adopted.

The Bill also proposes that counties will be in charge of small scale irrigation schemes, a function that is currently handled by the national government, if this draft Bill becomes a law.

The draft law says that irrigation schemes with less than 1,000 acres should be handed over to counties.

CORPORATE NEWS

NEWS | REVIEWS | ANALYSIS



Kenya Airways non-executive chairman Evanson Mwaniki (left) and CEO Mbuvi Ngunze welcome Wangang Tan, the president of China Southern Airlines, and other members of the Chinese delegation during the airline's maiden flight to Kenya yesterday. COURTESY

Muthoka firm wins China Southern's cargo business

► **STRATEGY** Businessman's Africa Flight Services has the largest fresh produce handling facility at the JKIA aviation hub

BY SIMON CIURI

China Southern Airlines has hired a firm associated with billionaire businessman Peter Muthoka to handle its cargo business, making his company one of the biggest beneficiaries of the entry of the giant Asian carrier into Kenya.

The airline, which landed at the Jomo Kenyatta International Airport (JKIA) yesterday on its inaugural flight from Guangzhou to Nairobi, is mainly targeting the increasing number of Kenyan businessmen who import goods from China.

Africa Flight Services (AFL), which is associated with Mr Muthoka, will handle cargo for the Chinese carriers' customers.

Kenya Airways, which has had a code-share agreement with China Southern Airlines, yesterday announced that it had retained the partnership but lost out on the freight business even though it has its own cargo handling unit.

"We won this business purely by merit based on China Southern Airlines' assessment of our facilities at the JKIA," said Mr Muthoka.

AFL has the largest fresh produce and cargo handling establishment at JKIA, where it competes with national carrier Kenya Airways and Swissport.

Both the Chinese airline and Kenya Airways are members of the Sky Team Alliance, which would



Mr Peter Muthoka. FILE

have made KQ the favourite to win the freight business. AFL runs its cargo handling business in partnership with World Flight Services (WFS), a global ground handling company with a presence in more than 50 countries whose entry into the Kenya market is expected to increase competition at JKIA where Kenya Airways and Swissport have dominated for many years.

Retention of the code-share partnership is however a big boost to Kenya Airways, which would have lost on passenger referrals further straining its financial base given it has been earning revenue through flying the passengers booked by the China-based airline's representatives in Kenya. Kenya Airways recorded a Sh25.7 billion after-tax loss for the year ended March 2015, attributed to poor management and competition from other airlines.

China Southern Airlines previ-

ously relied on its local marketers for booking and would later transfer the passengers to Kenya Airways and share the revenue generated. The referrals will however drop with the direct flights by the Chinese carrier, though it will only fly three times in a week.

"We have had code-share agreement since 2009 and we extended this to include Lusaka, Sydney, Melbourne and Perth in an extended partnership agreement signed in May 2013," said Kenya Airways managing director Mbuvi Ngunze when he received the airline yesterday at JKIA. Under the new arrangement signed yesterday between Kenya Airways and China Southern Airlines, customers who wish to fix their travel dates when the host airline is not flying can now use Kenya Airways to fly from Nairobi to Guangzhou.

"China and Africa have a time honoured history of friendly relations and close ties and both sides have achieved remarkable results in cooperation of all fields," said China Southern Airlines chairman Si Xianmin.

"We are happy to open our second direct air route to Africa, having launched our first between Shenzhen and Mauritius last year. We hope our additional flights will provide our guests with convenience, besides increasing the number of business and leisure travellers into Africa and Asia," added Mr Xianmin.

Teachers' sacco given ex-Merali bank deadline

BY GEORGE NGIGI

Mwalimu Sacco has six months to regularise its ownership in Equatorial Commercial Bank in compliance with the Central Bank Act which bans non-banking institution from holding more than 25 per cent shares of a bank.

The sacco acquired a 51 per cent stake of the bank last year at a cost of Sh1.6 billion, with an agreement to acquire an additional 24 per cent this year through its nominee Mwalimu National Holdings.

"The Cabinet Secretary for the National Treasury exempts Mwalimu National Holdings from the provisions of section 13 (1) of the Banking Act, with effect from January 31, 2015, for a period of one year, in connection with holding of ordinary shares in Equatorial Commercial Bank Limited," reads a gazette notice signed by the Cabinet secretary.

Section 13 of the Act restricts owner-

ship of share capital of a bank, except non-operating, holding companies approved by the Central Bank, to no more than a quarter of the bank.

The government or foreign banking institutions are also exempted from this law.

Mwalimu intends to sell 40 per cent of Mwalimu National Holdings, the vehicle used to invest in ECB, to its over 60,000 members. The sale would, however, still leave it with a 35 per cent shareholding.

Mwalimu Sacco bought the stake from businessman Naushad Merali who was also under pressure from Central Bank to comply with the ownership requirements which caps individual ownership of a bank at 25 per cent.

The deal gave Mwalimu Sacco ownership in Equatorial Insurance Brokerage and an indirect interest in Fidelity Shield Insurance having acquired the stake in Equatorial's holding company.

EACC opposes Pattni firms Sh140m legal fees demand

BY BRIAN WASUNA

The anti-corruption watchdog has asked the High Court to stop two firms previously associated with billionaire businessman Kamlesh Pattni from demanding Sh140 million from it in legal costs incurred in a previous civil suit.

The Ethics and Anti-Corruption Commission (EACC) filed the application after Marshalls East Africa and Delphis Bank (now Oriental Commercial Bank) slapped it with a combined Sh140 million claim for legal fees the High Court ordered it to pay to the firms.

EACC moved to court in 2003 seeking to seize ownership of 14 firms it claimed Mr Pattni he had bought from convicted fraudster Ketan Somaia with proceeds of the Goldenberg scandal.

The agency, however, holds that the suit was filed in the public interest, hence it should not be condemned to settle the legal costs.

The watchdog withdrew the suit in 2008 following negotiations with Mr Pattni and the government. The two firms had told the High Court in an application that their legal bills were high because they had to protect their reputations. But EACC says the demand is too high considering the suit was only aimed at their shareholders.

"The suit was filed in the public interest to trace and recover property looted in the Goldenberg scandal. There was no allegation that Marshalls and Delphis themselves engaged in the rip off of public coffers. The reputation of the compa-



Businessman Kamlesh Pattni. EVANS HABIL

nies were not at stake," says EACC.

Marshalls has in its response, however, defended its Sh60 million claim, arguing that it spent a lot of money filing suits that eventually led to the removal of receiver managers that the government and CBK had appointed to run it.

The court had granted temporary orders to the government allowing it to take over the 14 firms' operations until the suit was concluded.

Delphis says the legal matters involved were complex, and that it spent a lot on filing volumes of documents hence its Sh80 million demand is warranted.

"It took a protracted battle and a plethora of applications to have the receiver appointed removed from the management of Marshalls. EACC ignored the fact that Mr Pattni and Mr Somaia did not own any shares in Marshalls and proceeded to make the outrageous claims against it," says Marshalls.

Justice Joseph Sogoi will rule on the matter on October 2.

CORPORATE NEWS

Kitengela businessman sets up Nakuru cement firm

► **GROWTH** Firm which opened factory in Athi River in June seeks approval to set up another near Nakuru

BY MUGAMBI MUTEGI

A Kitengela-based quarry operator is stepping up his investments in the cement business with the planned construction of a Sh428 million plant in Nakuru, the second such project in the past one year.

Karsan Ramji & Sons has sought regulatory approval to set up a cement factory in Engashura area, seven kilometres from Nakuru town.

The factory will have an average daily production capacity of 700 tonnes.

Karsan Ramji & Sons recently completed construction of a similar-sized cement factory in Athi River and in June began selling cement under the brand name Ndovu to customers in Nairobi and its environs.

The company's main line of business has been production of ballast at three quarry sites it owns in Kitengela, Kilifi

and Nakuru. "If we secure regulatory approvals in time, construction will begin in December and the factory will begin operating by November 2016," Kishor Varsani, the firm's managing director, said in a telephone interview.

"Financing of the new cement factory is being wholly provided by local banks whose identity I cannot reveal."

Regulatory filings deposited at the National Environment Management Authority (Nema) indicate that the firm plans to install the new factory on a 1.5 hectares piece of land.

This is part of the 17.4 hectares the company owns along the Nakuru-Nyahururu highway, land on which one of its three quarries sits. The plant will use imported clinker while pozzolana and gypsum will be sourced locally from its quarries. The three raw materials are ground and mixed to produce cement.

"The plant will input cement into the Kenyan market and have the effect



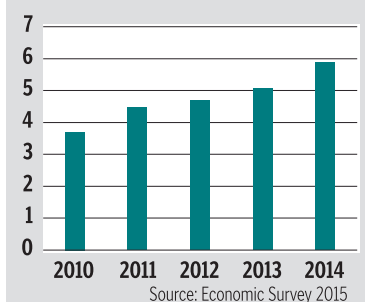
A man carries a bag of cement from a Nairobi outlet. Karsan Ramji & Sons' planned plant will produce 700 tonnes of cement per day. FILE

of healthy competition in the sector, promising more competitive prices," the firm says in its regulatory filings. Karsan Ramji & Sons' new facility will see them go up against established players such as Bamburi, East African Portland Cement Company (EAPCC) and ARM Cement who together control 77 per cent of Kenya's cement market.

Nigerian tycoon Aliko Dangote plans to build a Sh40 billion cement plant in Kitui, while Indian conglomerate Sanghi Group plans to construct a Sh12 billion cement plant in West Pokot. Ken-

Cement production in Kenya

(million tonnes)
Cement production in the country has consistently outpaced consumption



ya's cement production last year stood at 5.88 million tonnes, having grown 16.4 per cent from the previous year's

5.05 million tonnes as a result of new players entering the industry.

Cement production in the country has consistently outpaced consumption which stood at 4.26 million tonnes and 5.19 million tonnes in 2013 and 2014 respectively.

Oversupply of cement

"Everybody knows that there is currently an oversupply of cement in the Kenyan market," said Mr Varsani.

"However, our decision to diversify our business into this sector is based on the belief that demand for cement will soon outpace supply. This is in line with the expected growth of the economy and construction industry."

Karsan Ramji & Sons' maiden Athi River plant is located about 500 meters from the factories of its two rivals; Mombasa Cement and Bamburi.

Other competitors in the neighbourhood include Athi River Mining and East Africa Portland Cement.

The plant which recently started operations was initially to be installed in Kitengela but residents opposed the project citing health and environmental concerns, forcing the investor to relocate the venture to Athi River.

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Special Feature

Special Feature

Special Feature

Special Feature



BUSINESS PROCESS OUTSOURCING (BPO) In East Africa

The EastAfrican will on 15th August, 2015 publish a feature focusing on Business Process Outsourcing (BPO) & Information Technology Enabled Services (ITES). This feature will among other factors highlight:

- The benefits of BPO & ITES
- Functions that can be outsourced
- Types of Business process outsourcing
- Emerging challenges in the BPO & ITES industry



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Jamii records fastest growth in race for Internet customers

BY OKUTTAH MARK

Jamii Telecommunications gained the highest number of fixed Internet customers in three months to March, according to the latest filings by the industry regulator.

The telco's growth came at a period that saw a majority of the top 10 service providers in the category either lose subscribers or post a flat growth rate.

The quarterly report by Communications Authority of Kenya (CA) for between January and March shows that the firm that owns Jamii Faiba gained most customers (4,962) in the period under review raising its total subscriber base to 7,536.

This gain has enabled Jamii Telecoms to close the gap between it and Safaricom, which has 8,192 subscribers in this market category and is rated fifth among the service providers.

Wananchi Group-owned Zuku retained its position as the largest operator of fixed



Wananchi Group chief executive Richard Alden. FILE

Internet services by customer numbers.

The CA reports says that demand for fixed broadband is driven by, among other factors, the government's decision to offer its services online and the adoption of e-learning, which requires dedicated Internet services mainly through fibre optics connectivity.

"The evolution of advanced services on e-platforms such as e-government, e-commerce, e-learning and IPTV/Triple Play could be attributed to the demand and thus the need for growth in bandwidth capacity," reads part of the report.

Safaricom is rated behind AccessKenya that has 11,502

subscribers and whose figures remained flat compared to the previous quarter. AccessKenya, however, lost 0.4 per cent of its market share to 9.6 per cent.

Telkom Kenya was rated third with 12,083 subscribers from 12,002 in the last quarter, however, it lost 0.4 percentage points in its market share to reach 10.1 per cent.

Liquid Telecom was rated second with 18,250 subscribers translating to 15.3 per cent share, having lost 0.4 percentage points in the quarter.

Zuku maintained the market leader position although its number of subscribers remained flat at 55,936.

"The pole position affirms our status as Africa's leading entertainment and communication service provider in line with our objective to be a world-class company and the first choice for entertainment content and communication among consumers in key markets around Africa," said Wananchi Group CEO Richard Alden yesterday in a statement.

IDEAS & DEBATE

OPINIONS | REVIEWS | ANALYSIS



President Uhuru Kenyatta greets Kenyans in the diaspora during an investment conference. BILLY MUTAI

Attractive investment options can unlock more diaspora funds

POTENTIAL Projections show that Kenya abroad can send home Sh68 billion per month if the state makes the investment environment appealing to them

MARTIN DIAS

The Kenyan diaspora has tremendous potential to bring in more remittance inflow if all factors are spruced in creating an enabling environment for investment.

Kenya, just like any other country, has a good number of her citizens living in other countries or continents, estimated to be around three million or slightly more. They are mostly professionals in specialised fields like medicine, accountancy and audit, legal, banking and education, among others. Estimates reflect at least 80 per cent are in the employment sector while the remaining are students. This means that close to 10 per cent of the population is making a living beyond Kenya's territory or undertaking their university education.

Looking at the 2014 numbers derived from the Kenya National Bureau of Statistics, we note the diaspora remittance contributed around three per cent of the total gross domestic product (GDP), reflecting a wide gap when compared with the other sectors, with agriculture leading at 27 per cent, manufacturing (10 per cent), real estate (7.8 per cent), wholesale and retail (8.2 per cent), among other sectors. Tourism is not worth mentioning here as it is lingering on a single digit.

The latest statistics on diaspora remittance by the Central Bank of Kenya (CBK) for June shows an improved amount of Sh13.6 billion was remitted back home. This was 17.1 per

cent rise from last year's Sh11.6 billion and is attributed to increased inflows from Europe and North America. The June figures are also 5.3 per cent higher than the May remittances which stood at Sh12.9 billion. Of significant note is that inflows from North America accounted for close to half the amount. The 12-month cumulative inflows to June increased by 10 per cent to Sh149.2 billion from Sh135.7 billion in the year to June 2014.

The 12 months average flow also sustained an upward trend to Sh12.4 billion from Sh11.3 billion during the same period. The month-on-month increase presents hope for the shaky shilling which has maintained its weakness against the dollar, staying above the Sh100 mark for the past month. One wonders whether this could be the maximum potential of the Kenyans abroad or can it be more?

Mathematically, it would mean that; on average a Kenyan living in the diaspora sends around Sh5,054 (\$50) in a month. This is derived from taking the latest inflow remittance which was Sh13.6 billion and dividing with the estimated three million Kenyans abroad. The Sh5,054 per person is ridiculously very low. It is for this reason, I have been asking myself what

could be inhibiting them from sending more?

If approximately 80 per cent of the diaspora population is working, it means a majority are either sending a paltry amount or not sending at all. Normally, the majority of Kenyans abroad send money to their families and relatives to supplement their income or to cater for other needs and emergencies like medical bills, school fees and general consumption. Sometimes people send it out of guilt, sometimes it is because the relatives keep calling and asking for money.

Out of this, it is clear to see that the diaspora has no major attraction that pushes them to send more money or to invest locally. To grow the current state of remittance, there is need to make the country more favourable to attract more investment. We are dealing with three million Kenyans, most of whom are highly educated and exposed to other continents' lifestyle and investment opportunities.

They do lots of research before investing into a home or in stocks and shares. Consider the example of our national airline Kenya Airways which has made a whopping Sh25 billion loss and is on the verge of collapse. Would the diaspora invest in shares in this

Out of this it is clear to see that the diaspora has no major attraction that pushes them to send money or to invest locally

company? What if a home in South Africa costs half the amount of a home in Kenya, then wouldn't they opt to buy one in South Africa or elsewhere much cheaper?

We must offer competitive investment opportunities at home, with the right market pricing, conducive environment and legislation. We must make the investment climate attractive to everyone and why not begin with the diaspora.

Now, if we achieved this objective and the monthly remittance per individual increased to Sh10,109 (\$100) a month, then this would mean the inflow would double to Sh27.2 billion if we took the June Sh13.6 billion figure. I would put our expectation at Sh25,000 (\$250) per person per month which would take our monthly inflow to Sh68 billion. Would this not have a significant effect on our exchequer?

The Obama visit is a boost to the diaspora in the US and we should see more interest arising from that region. Kenya was on the spotlight all over the world and showcased herself at one of the highest level seen here at home. Everything seems to have worked perfectly well for Kenya during the visit amidst the potential fear of an Al-Shabaab attack.

One of the many factors that the government should also consider to increase the inflows from the diaspora is to build good relationship with this community. In the past, we have seen the diaspora seeking legal action to protect their rights. Fundamental rights like voting in Kenya's election cannot be overlooked. There should therefore be a round table discussion on how this process can be carried out with both parties coming to an understanding. This will raise the confidence of the diaspora community in the government as they will have the right to participate in deciding the destiny of their country.

More remittance could also be experienced through showcasing the products and investment opportunities available locally. Following the recent conclusion of the Global Entrepreneurship Summit where individuals and firms showcased their ideas and products, it is important to advertise these products to the Kenyans abroad so they can identify any business idea that lacks funding and grab the available opportunity. This could benefit the entrepreneurs and offer a good return on investment for the diaspora.

From the case put forward and figures highlighted in this discussion, we can conclusively agree that if we positively put our mind and efforts to address these challenges we can break the barriers and bridge the gap in increasing our diaspora remittance. I believe yes we can.

Dias is the Group chief executive officer, FAPCL Group
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Other Voices



Donald Trump
US presidential aspirant



Bill Schneider (Reuters)

Thirty years ago, Ronald Reagan declared, "It's morning in America." Now it's crazy time in America. Senator John McCain was the first to notice. After Donald Trump held a massive rally to scapegoat illegal immigrants, McCain said, "(He) fired up the crazies." There must be a lot of crazies running around. The latest polls all show Trump as the frontrunner for the 2016 Republican nomination. The craziness in the Republican race is not confined to Trump.



Pierre Nkurunziza
Burundi President



Carina Tertsakian (Guardian)

I was last in Burundi in June, just before the controversial elections. The mood was gloomy. There were frequent clashes between police and demonstrators in Bujumbura. Burundi seems to be heading into an increasingly uncertain and chaotic situation. The day before Mbonimpa was shot, the former head of the intelligence services, General Adolphe Nshimirimana – a powerful figure and close ally of Nkurunziza – was assassinated in the capital.



Benjamin Netanyahu
Israel Prime Minister



Etgar Keret (New York Times)

I'm old enough to remember Rabin Square, when it was still called the Kings of Israel Square, full of demonstrators on many occasions. Have the young men and women who failed miserably in their struggle for social justice given up hope and lost their faith in the ability of this democratic tool to have an impact? Have the people on the left who come to sweat in this square every time a new injustice is perpetrated in our country begun to tire?

BUSINESS DAILY

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AG's advice invaluable when drafting laws

The Attorney-General is the chief legal advisor to the government and its agencies, a duty reaffirmed in the Constitution. However, a number of government agencies have tended to overlook his input in important matters, claiming Prof Githu Mui-gai's role is merely advisory – that is only to offer an opinion.

That is where they are wrong. And if anything goes wrong in the future, there is no reason why culpable officials and ministries should not face the music.

In this newspaper yesterday, we carried a story where the AG has advised the ICT secretary to withdraw proposed regulations seeking to have Safaricom declared a dominant player on account of market share. The regulations are before Parliament and the AG says they were drafted by the ministry and the Communications Authority without his input, which he says is contrary to laid down procedures. The Competition Authority of Kenya, which deals with such matters, was also left out of the picture.

The issue here is that the matter at hand is quite weighty and is at the heart of the long-running rivalry between two of Kenya's leading telecoms firms – Safaricom and Airtel. What all the players should appreciate is that while the two telcos

are the most visible players when it comes to claims of dominance – which we leave to the competent authorities to determine – there are other sectors where similar claims can be made.

If the law sails through Parliament as it is, there is no reason why players in other sectors should not draw from them. That is why we support the AG on the need to pass laws with wide consultation of the stakeholders to avoid short-termism or insidious targeting. We equally wonder why the two agencies that are well aware of the law-making process thought it wise to bypass these two crucial institutions.

In the past we have seen other government institutions making similar blunders. The Security Bill that was passed into law carried with it similar claims of the AG not being involved. The consequence was that it was contested by the Opposition in court and some of the clauses were struck out. The matter is yet to conclude but the government will pay legal costs that could perhaps have been avoided.

Agreed, the ministry and CA could be rushing to rectify a situation that might not be conducive to competition. But let all relevant authorities be involved while carrying out such tasks.

MPs harmed public interest

Reports that Jubilee MPs ganged up to defeat the Public Accounts Committee report on Deputy President William Ruto's alleged hiring of a luxury jet to travel to West Africa is absurd in many ways.

It is the clearest symptom yet of the moral vacuum that has come to characterise one of the key institutions of governance in Kenya today – Parliament.

In summarily using their numbers to throw out the report, the lawmakers have sent at least two clear messages.

One is that on the floor of the house, MPs are voting machines who will act to serve party, or self interest regardless of the merits of the issue at hand.

Besides, the fact that the watchdog Public Accounts Committee members sat for days earning fat

sitting allowances to compile a report whose contents very few MPs cared to read is most worrying.

That this action comes on the heels of a similar one in which the MPs rejected President Uhuru Kenyatta's nomination of Monica Juma to the position of Secretary to the Cabinet sets a bleak precedent for the public interest.

Our argument is not that Parliament was under obligation to adopt the report. It is rather that a report that accuses such high ranking public official of misusing millions of shillings in public funds deserved better treatment – not the summary and shabby treatment it got on the floor of the House.

The message so far is that our Parliament is bereft of principled politicians with the courage to break ranks with their parties in the pursuit of public interest.

To comment...

The editor invites comments on our content and topical issues. Please include your full names, telephone number and address in your letter. Email: bdfeedback@nation.co.ke

EDITORIAL & OPINION



"My bank account is a joke... The only serious account I have is my Facebook account."

Technology changing way we do business



BITANGE NDEMO
DISRUPTION

In just a decade, the discourse of what we used to know as business or enterprise has changed. In virtually all sectors, technology is playing a unique role whose effect is to make entrepreneurship and technology synonymous.

Most people expected the recent Global Entrepreneurship Summit to address issues on what we used to know as entrepreneurship or doing business. Instead, the debates focused on high-tech applications and their commercialisation. Welcome to the future of business.

Not too long ago, musicians made money from sale of their physical albums. That changed with the entry of online music streaming platforms such as iTunes, Google Play, Pandora, Groove-shark, MySpace and more.

Technology is changing the way music stars are created, with more consecrated through eyeballs, and instant voting. Online platforms mean artists are no longer confined to live performance to make money, and those who have embraced this disruption are also using it to promote themselves. Some of the platforms pay little but nothing near to yesteryear when top performers signed contracts with global music entertainment houses like Sony for distribution. Behind the scenes, there is a race to de-

fine the future of music business.

After years of trying to protect the film industry from emergent free online technologies, film makers seem to have caved in. Several streaming platforms have emerged like Amazon Prime that are changing business models across the world. It is now more difficult to target teenagers with television adverts since most are busy on the free online music and film platforms.

Now if you need this audience you will have to use platforms such as YouTube. These developments can devastate future business of local ad agencies.

The disruption of the banking sector is ongoing. The Bank of England licensed a startup virtual bank, Atom Bank, as the first alternative to traditional banking services. The startup, which has been in operation for one year, went through final regulatory approvals before launch. In Kenya where the diffusion of mobile money technology has confounded critics, Atom Bank would find a ready market. The entry of such disruptors will precipitate other businesses such as biometric security systems and change how we do banking in the future.

The future of transport business is here. Uber and Easy Taxi are in Kenya and disrupting the sector in ways we never imagined. The time when one could exploit unsuspecting passengers is gone. The convenience of planning your trip without arbitrariness and uncertainty makes the experience of these new technologies more appealing. In the not too distance future, we shall see problems associated with the chaotic matatu sector dealt with using technology. When this happens, more

people will invest in the sector that is dominated by criminal cartels. The business of transportation will change as inefficiencies are eliminated.

Perhaps the greatest disruption will be felt in education. The sector has the most problems that technology can easily address. The lethargy in public education will soon be a thing of the past. Online content delivered by dedicated tutors who will replace indolent teachers. It is not a question whether this will happen but when. Some students at university already use Massive Open Online Courses offered by leading universities to supplement their daily lectures, but this will soon disrupt existing learning structures.

Other sectors such as health and agriculture will experience similar disruptions. From driverless cars to big data to the future of the workplace, the future of business is changing. It may be difficult to accept new technologies in our traditional environments but there may be no choice. The sun will not stand still and it is inevitable that technology will be more ubiquitous. It is easier to face the facts that we are living in a changing world and adapt. The alternative is that failure to change could be a license to live uncomfortably since everything around us is evolving. We may as well be the change.

Alan Watts, a British-born philosopher, once said, "The only way to make sense out of change is to plunge into it, move with it, and join the dance."

The writer is a technology enthusiast and an associate professor at University of Nairobi's Business School

VIEWS FROM ABROAD ■ Opinions from around the world

Act on Kigali transport woes

The new Kigali public transport master plan, unveiled in 2013, has not eased traffic. Did the city authority err in awarding contracts under the plan to a handful of companies which in effect created a quasi monopoly?

THE NEW TIMES
KIGALI

Why have the challenges that

have for long characterised public transport in Kigali remained unsolved?

Relevant government agencies should step up supervision and regulatory tools to make sure that city dwellers and travellers get fast and reliable public transport services.

Re-examine death penalty

The death penalty undermines the wholesome purpose of punishment. Imposition of the penalty negates the other three purposes of punishment — rehabilitation, reconciliation and restorative justice.

DAILY MONITOR
KAMPALA

Indeed, punishment in Uganda has

traditionally focused on retribution and deterrence. More emphasis should be put on rehabilitation, reconciliation and restorative justice. Rehabilitation is aimed at reforming the offender to prevent recidivism. Our lawmakers should consider replacing the death penalty with long-term imprisonment.

Deal firmly with doping in sports

Half the joy for sports fans in watching the world's best athletes is to see them challenge the presumed limits of the human body. So when doping or other unfair material enhancements are used, the thrill is gone.

CH SC MONITOR
BOSTON

This is why world sports bodies need

to take seriously the latest allegations of doping in Olympic sports. With the next Summer Olympics coming in 2016, world sports bodies will need to sort out the truth in these allegations in order to keep the trust of sports fans. Breaking limits in endurance sports should not be a contest of drug use.

Euro zone doesn't need a political union

HUGO DIXON
INTEGRATION

The Greek crisis has given new life to a superficial argument: that the euro zone isn't working because its monetary union hasn't been accompanied by fiscal and political union.

France's President Francois Hollande has called for a euro zone government, with its own budget, which would be accountable to the people via a new euro zone parliament. Pier Carlo Padoan, the Italian finance minister, has backed the idea – also advocating a euro zone unem-

ployment scheme.

The European Union's so-called five presidents have given nuanced support for these ideas, calling for a euro zone treasury and a "common macroeconomic stabilisation fund" to help countries weather shocks.

The five presidents first want euro zone countries to converge towards best practice on boosting competitiveness. They then want legally binding rules to ensure they stay competitive.

Such an ambitious centralisation of economic power is neither needed nor desirable. Nor is it politically achievable.

Creating a common euro zone finance ministry, government, parliament and budget would require a new treaty. This would need unanimous approval of the 19 countries in the bloc, and probably of the nine other members of the EU, such as Britain, which don't use the euro.

Doesn't this then mean the euro zone is doomed? If 19 countries share the same currency and lose the ability to devalue when they hit problems, it might sound like they also need a common treasury to cushion the blow, and a common government and parliament to give legitimacy to their actions.

Not so fast. The crisis of recent years has two main causes: lack of competitiveness and excessive government borrowing. There are better ways to address problems of competitiveness than by agreeing a treaty to mandate it; and it is already clear that treaties requiring fiscal rectitude have been pretty useless.

If investors knew that governments could go bankrupt, they would be more cautious about lending to them in the first place. The discipline of the markets would replace the discipline of the bureaucrats.

Hugo is a columnist and entrepreneur

Corruption is a serious threat to our democracy

NDUNG'U WAINAINA
GRAFT

The depressing audit report of the Kenya National Audit Office on expenditures by different government agencies is deeply disturbing. The shameful report shows reality on the ground is different from the government's pronouncements.

The report proves that corruption is deeply widespread in the public service and political system, facilitated by weak management of public resources and law enforcement.

Corruption has scared off investors and stifled economic growth. It has decreased investment and trade, costing jobs for young people. Corruption is facilitating human rights abuses and organised crime, empowering authoritarianism and creating unaccountable political leadership. It is threatening democratic peace, security and stability.

Corruption has weakened law enforcement and police, exposing the country to terrorism and transnational organised crime. Countless studies link corruption to increasing levels of poverty and income inequality. For example, corruption is diverting public funds away from schools, hospitals, roads, water, power plants, and other basic infrastructure.

If Kenya wants to tackle both high level and petty corruption decisively, the public trust in key criminal justice institutions such as the Office of Director of Public Prosecutions, the National Police Service and the Directorate of Criminal Investigations needs to be restored.

The government must prohibit public servants from doing business, including tenders, with it and penalise defaulters. What is at stake is not the rights of state employees to do business. It is the economy, security and democracy of the country. The country has a good Constitution but no one is playing by it. It is irresponsible and foolhardy to place public employees in positions where they can (or are tempted to) manipulate procurement and other procedures to unfairly benefit themselves at the expense of the state/taxpayers.

Public officials must also declare the business interests of extended family to prevent conflict of interest. There must be mandatory audit of these officials' lifestyle.

The government should by action seize the agreement with the United States government to increase momentum, tighten the war on corruption and deny safe havens to corrupt officials and their illicit assets. Ethics and integrity laws governing public officials (appointed and elected) must be enforced.

Government must rigorously pursue corrupt actors and the proceeds of corruption. It must robustly promote open government principles and improve transparency in government transactions and trade deals. No sacred cows. It must be a new path governing public service with consequences. New rules must be set and enforced vigorously.

The writer is executive director, International Center for Policy and Conflict



Letters

The editor welcomes brief letters on topical issues. Opinions expressed here are not necessarily those of the editor or publisher. They may be edited for clarity, space or legal considerations. Send via e-mail to bdfeedback@ke.nationmedia.com

Poor performance of companies cause for worry

We have recently witnessed the collapse or declining performance of previously robust companies such as Mumias and Kenya Airways while several others have been in the news over unanswered questions regarding their profitability.

In the corporate world, the business environment changes quickly. In some instances, the changes occur by the hour placing new demands or opportunities on management. Industries such as airlines and tourism experience more turbulences because of the volatility of the environment they operate in. Problems can come in wide-ranging guises, including fuel prices, competition, a fluid market or fast changing technology.

The CEOs of such companies must be on their toes, continuously scanning the business environment and developing new strategies. Strategies and ideas developed in 2014 may prove ineffective in tackling challenges or taking on business opportunities of 2015. Generation of new ideas from both internal and external sources ensures the companies' strategies remain relevant and with a realistic chance of achieving set objectives.

Insistence on repeating failed strategies – such as hedging fuel – ends up becoming more costly than storing physical fuel reserves.

Majority of CEO's or departmental heads – after achieving success in the first years of being at the helm – make the mistake of taking a laid back approach to running the company. They treat their jobs as political positions and appoint friends and tribesmen to key positions, sometimes with grave consequences such as stagnant growth, and lack of innovation and com-



Kenya Airways CEO Mbuvi Ngunze (right), Group Finance Director Alex Mbugua and corporate communications manager Wanjiku Mugo during the release of the Group's financial results for the year ended March 31 at the InterContinental Hotel last week. FILE

petitiveness.

The injection of fresh ideas ceases and the company is allowed to operate on auto-pilot with lots of energy devoted internally to squabbling, politicking and advancing personal agendas. Changes are forced rather than being agreed upon as personal and vested interests take precedent. Those who have the ability and experience to make things move are either sidelined, shown the door or their ideas muzzled as authoritarian CEOs drive the firms into self-destruction.

In order for a company to guarantee its survival it's important that the terms of CEO be limited. I would suggest two terms of three years each. A CEO who insists on managing a company for 10 years is doing himself or the company a disservice. A company that does not

experience any meaningful change after a new CEO has been at the helm for 18 months may need to check whether he is doing the right thing, or has the right people, or is employing the right techniques.

Shareholders and businesses must interrogate performances of CEO before signing renewal contracts. Extending their contracts merely because they have been doing a good job is not a guarantee the future of the company will be better.

It should not just be an issue of numbers – feedback from customers, suppliers and staff can provide a good health check on a company's performance and effectiveness of its strategies to meet the challenges of a fast-moving business world.

JOE MUSYOKI
Kitengela

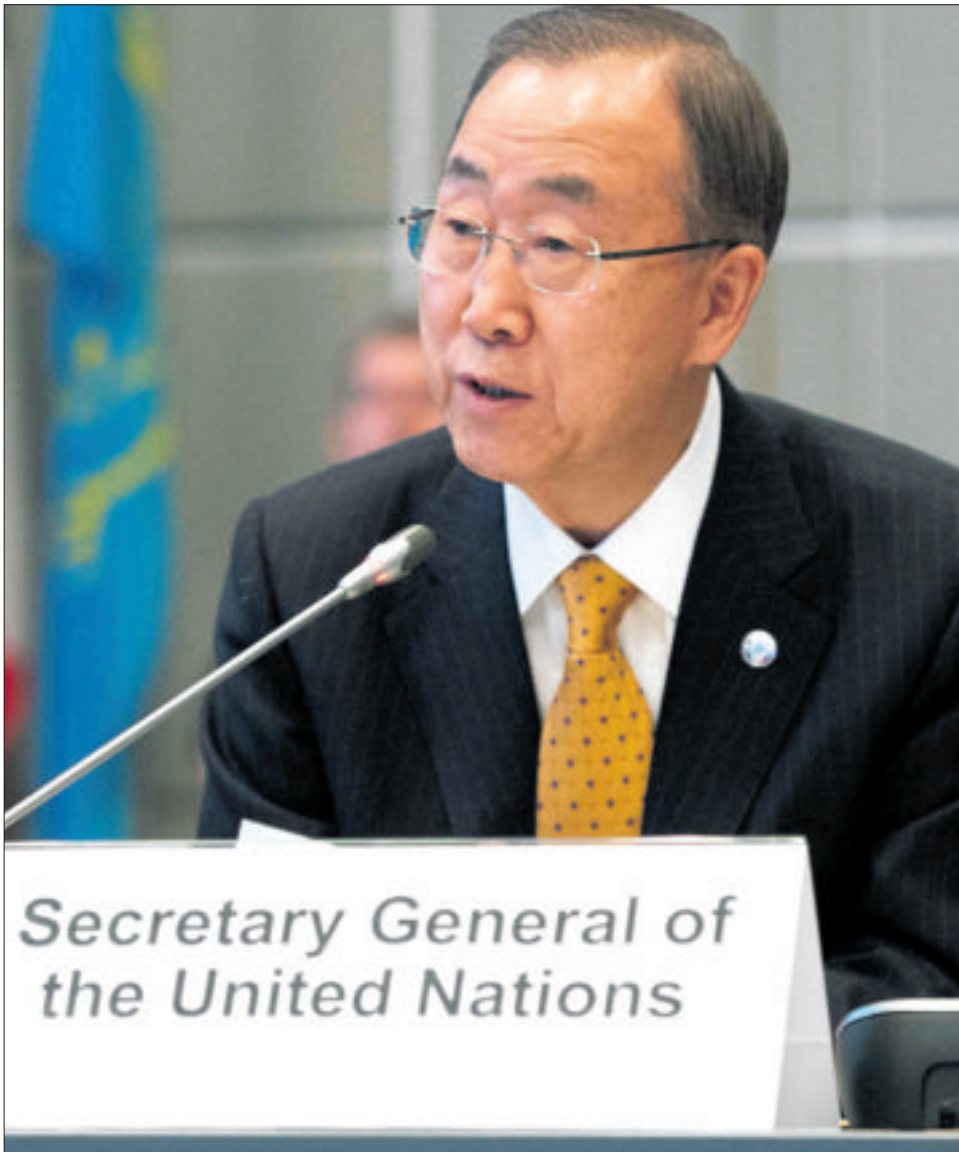
The poor performance of two of Kenya's blue chip companies should disturb our collective conscience as a nation. First it was Mumias Sugar, Kenya's giant sugar miller which was brought to its knees after massive looting by former managers and directors who are well known but walk free as if they did no wrong.

Sadly, the issue was reduced to a small, ethnic affair – a Luhya affair. Geographically, the firm is situated in the land of Mulembe but it is a national asset. Why trivialise a firm of such economic significance?

It has not taken long before the pride of our nation – our national carrier – has come crashing down. As usual the same script of silence and inaction is being played.

Taxpayers are at a loss seeing their government not taking action against economic saboteurs. They are hoping the Kenya Airways saga will trigger decisive action from the authorities.

BENARD AMAYA
via email



UN Secretary General of Ban Ki-moon. The new UN agenda will be adopted at a September Summit. SUXXXXX

(Independent Evaluation Office) in the IMF serve as monitoring agencies. For example, it has been demonstrated that the decision-making taking place in a fund like the Global Financing Facility will be done behind closed doors, by a small group of elite financial investors and private sector actors who contribute to the facility, she added.

Shannon Kowalski, Director of Advocacy and Policy, International Women's Health Coalition, told IPS the SDGs signal a major step forward, especially for women and girls.

Change the game

With this new framework there is potential to really change the game and advance gender equality — which has been recognised as absolutely essential to sustainable development, she added.

“Women and girls everywhere have much to gain from the SDGs. But to make this a reality, we have to keep pressure on governments to follow through on their commitments. In the end, the promise of this historic development agenda is really up to us,” Kowalski declared.

Ian Koski, a spokesperson for the ONE Campaign, said the new global goals are a major landmark in the effort to end extreme poverty.

They lay out a global contract for a world where nobody lives in hunger or dies of preventable diseases, and while their formal adoption in September will rightly be cause for celebration, goals alone will not end poverty, he said.

It's going to take a significant amount of hard work to turn these aspirations into reality. It's going to take national blueprints for delivery that will improve the lives of the poorest people and the poorest countries, he cautioned.

“The monitoring of the goals will need a sharp focus on accountability, backed by investments in data collection and use so that citizens have

the information they need to ensure that leaders keep their promises,” Koski declared. Secretary-General Ban Ki-moon said the new development agenda “encompasses a universal, transformative and integrated agenda that heralds an historic turning point for our world.”

“This is the People's Agenda, a plan of action for ending poverty in all its dimensions, irreversibly, everywhere, and leaving no one behind. It seeks to ensure peace and prosperity, and forge partnerships with people and planet at the core.”

He said the integrated, interlinked and indivisible 17 Sustainable Development Goals are the people's goals and demonstrate the scale, universality and ambition of this new Agenda.

Ban said the September Summit, where the new agenda will be adopted, “will chart a new era of Sustainable Development in which poverty will be eradicated, prosperity shared and the core drivers of climate change tackled.”

Deon Nel, international acting executive director for conservation at World Wide Fund for Nature (WWF) said: “We congratulate negotiators on their bold action. This is an essential move toward realizing our dream of shaping a world where people, planet and prosperity come together.”

He said SDGs are universal goals that will commit all countries to take action both within their own borders and in support of wider international efforts. Individual national commitments must add up to a worldwide result that helps all people and ensures a healthy environment.

He said the new development plan represents significant improvement from the UN's MDGs as it recognises the interlinkages between sustainability of ecosystem services, poverty eradication, economic development and human well-being.

- IPS

FOOD ■ THIRD WORLD NETWORK FEATURES

New approach planned to eradicate hunger by 2030

Eliminating world hunger by 2030 will require an additional \$267 billion (Sh26.7 billion) per year during the period 2016-2030 in order to fund social protection as well as pro-poor investments in rural and urban areas, a new United Nations report has said.

This would average \$160 (Sh16,000) annually for each person living in extreme poverty over the 15-year period, said the report, which was presented in Rome on Friday.

The report was prepared by the United Nations Food and Agriculture Organisation (FAO), the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP).

In an advocacy note accompanying the report, the heads of the three UN agencies said: “We can end poverty and hunger by 2030. But we will need a new approach that combines public investment in social protection with public and private efforts to raise investment levels in productive sectors — especially in rural areas and particularly agriculture — to much higher levels than in a ‘business as usual’ scenario.”

Increasing aggregate investments is expected to increase growth, employment and thus, incomes, they said, adding that properly designed and implemented investments to achieve

Zero Hunger will increase the productivity and incomes of small-scale producers, while offering broader opportunities for the poor and vulnerable.

According to the heads of the FAO, IFAD and WFP, of the total average annual financing of \$267 billion needed, some \$151 billion will be for additional pro-poor investments in the productive sectors — \$105 billion for rural development and agriculture and \$46 billion for urban areas.

“To sustainably eradicate extreme poverty and hunger, we need to boost both private and public investment to raise rural and agricultural productivity and incomes, as well as to promote more productive, sustainable and inclusive food systems.

“Farmers are the major source of investment in the sector, but formal systems of credit and insurance often discriminate against them, especially smallholder family farmers and others less well endowed,” they said.

“To break the vicious cycle of poverty and hunger, people who are extremely poor and hungry have to be assisted — through social protection.

“Adequate, well-designed social protection would enable the people in this category to quickly overcome poverty, hunger and under-nutrition,” the heads of the three UN agencies also said.

“The message of the report is clear: if we adopt a ‘business as usual’ approach, by 2030, we would still have more than 650 million people suffering from hunger. This is why we are championing an approach that combines social protection with additional targeted invest-

ments in rural development, agriculture and urban areas that will chiefly benefit the poor,” said FAO Director-General Jose Graziano da Silva in a FAO news release.

“Our report estimates that this will require a total investment of some \$267 billion per year over the next 15 years. Given that this is more or less equivalent to 0.3 per cent of the global GDP, I personally think it is a relatively small price to pay to end hunger,” Da Silva added.

“This report helps us to see the magnitude of the challenge ahead of us, but we believe that we won't see gains in reducing poverty and hunger unless we seriously invest in rural people,” said IFAD President Kanayo Nwanze, in the same press release.

“Given the right kind of tools and resources, small-scale agricultural producers and rural entrepreneurs can transform struggling communities into thriving places,” he further said. “We need a dramatic shift in thinking to help the world's poorest break the cycle of hunger and poverty by 2030.

“We cannot allow them to be left behind,” said WFP Executive Director Ertharin Cousin. “We must invest in the most vulnerable and ensure that they have the tools they need not only to overcome hunger, but to enhance their resources and capabilities.”

According to the report, despite progress in recent decades, including the near achievement of the Millennium Development Goal target of halving the proportion of hungry people in the world by the end of 2015, about 795 million people — or around one in nine — still suffer from chronic (dietary energy) undernourishment, or hunger.

The eradication of hunger by 2030 is likely to be a target of the new Sustainable Development Goal 2 (SDG2) to be approved in September 2015 at the 70th Session of the United Nations General Assembly.



One of the 17 new Sustainable Development Goals targets the eradication of hunger by 2030. FILE

REGIONAL NEWS

■ **WARNING** An international think tank says continued attacks could push state to the brink of war

Fury over attempted murder of Burundi rights activist

The attempted killing of a leading rights activist, shot in the face by a gunman, triggered international outrage on Tuesday and stoked fears of worsening violence in Burundi.

Pierre-Claver Mbonimpa, who publicly opposed President Pierre Nkurunziza's bid for a third term last month, was shot on his way home from work in the capital on Monday by a gunman on a motorbike. "His condition is stable, and has even slightly improved," a family member said on Tuesday.

UN Secretary-General Ban Ki-moon condemned "the assassination attempt" and called for the perpetrators to be brought to justice. "This incident... is part of a growing pattern of politically-motivated violence in Burundi that must be broken before it escalates beyond control," his spokesman said in a statement.

The UN Security Council separately strongly condemned the violent attack targeting the rights activist and voiced concern that the "security situation in Burundi is deteriorating rapidly." In a unanimous statement, the 15-member council appealed for calm and a return to dialogue while voicing support for regional mediation efforts.

The UN Secretary-General on Monday spoke by phone with Ugandan President Yoweri Museveni who is leading East African efforts to defuse the crisis in Burundi. Several diplomats, including from the United States and France, as well as African



Burundi police arrest an anti-government protester. Inset, Mr Pierre-Claver Mbonimpa, President Nkurunziza's critic who was shot in the face on Tuesday. AFP

Union officials, were at Mbonimpa's hospital bedside during the night until the arrival of the police.

The shooting followed Sunday's killing in a rocket attack of General Adolphe Nshimirimana, who was widely seen Burundi's de-facto internal security chief.

The attacks come just over a week after Nkurunziza was declared the outright winner of a controversial presidential election, securing a third consecutive term despite Opposition protests and international condemnation.

On Tuesday evening, shots could

be heard in a neighbourhood of the capital Bujumbura where loyalties are split between Nkurunziza's camp and the Opposition.

“This incident... is part of a growing pattern in Burundi.. that must be broken

BAN KI MOON, UNITED NATIONS SECRETARY-GENERAL

Ruling party CNDD-FDD spokesman Gelase-Daniel Ndirirababwaho accused the Opposition of carrying out a "plan of targeted assassination" against its loyalists, the day after a local party official was shot dead in the east.

Nkurunziza's candidacy was condemned as unconstitutional by the Opposition and provoked months of protests that left at least 100 people dead in a fierce government crackdown, as well as an attempted

coup in mid-May. AU Commission chief Nkosazana Dlamini-Zuma condemned the attack and wished Mbonimpa "a speedy recovery", while Human Rights Watch (HRW) called on the government to ensure his safety.

"We are shocked at this blatant attack on one of Burundi's most prominent and respected activists," said HRW's Africa chief Daniel Bekele. "The Burundian authorities should take immediate steps to secure Mbonimpa's safety."

Amnesty International condemned the "brazen attack" it said was part of "a disturbing escalation" of violence. Dlamini-Zuma called on the government to investigate the "attempted murder" as well as "all other such killings", including the assassination on Sunday of Nshimirimana, a close aide to Nkurunziza.

"All sides in Burundi must show restraint and seek dialogue. Violence, from whatever quarter, will not help get the country out of the current political impasse," the EU's foreign affairs arm said in a statement. The International Crisis Group (ICG) think tank warned the attacks were pushing Burundi to the brink of war.

"There is a qualitative change in the violence," said the ICG's Thierry Vircoulon.

After Nshimirimana's killing, prominent Burundian journalist Esdras Ndikumana -- who works for Agence France-Presse (AFP) and Radio France Internationale (RFI) -- was arrested and badly beaten.

The political crisis in Burundi has seen independent media outlets shuttered and many journalists flee the country or go into hiding because of threats and attacks.

-AFP

BRIEFING

BUJUMBURA

Burundi revenue collection down on sustained violence

Burundi's tax revenues fell 36.4 per cent below target in June, official data showed on Tuesday, coming against a backdrop of months of violence stemming from President Pierre Nkurunziza's decision to seek a third term.

The country's semi-autonomous revenue authority (OBR) said it collected 42.2 billion francs (Sh2.7 billion) in June from a target of 66.4 billion francs. Revenues were also 35.4 per cent lower than those collected in June 2014.

Tax revenues from January to June fell to 285.8 billion francs from 297.4 billion francs the same period last year.

LUSAKA

Dangote plans to construct second Zambia cement plant

Dangote, Nigeria's largest cement maker, plans to double investment in Zambia to around Sh90 billion (\$900 million) by building a second cement plant, the company's vice-president said on Tuesday. Dangote has already built one cement plant at a cost of Sh45.4 billion in Masaiti, some 500 kilometres north of Lusaka that is expected to produce 1.5 million tonnes of cement annually when it reaches full capacity by the end of this year.

"That's also in progress and it will soon come up for commissioning," Dangote group vice-president Sani Dangote told reporters, referring to the new plant.

JOHANNESBURG

Coal mining firm ordered to stop work ahead of job cuts

South Africa's Mines minister has ordered Glencore to suspend all operations at a coal mine because of the way it planned to carry out job cuts.

The country's mining industry is battling sinking commodity prices, rising costs and labour unrest. Glencore announced in July it would cut 380 jobs at Optimum and shut part of the mine due to lower coal prices. It added on Tuesday the mine's finances were strained because it was supplying state power firm Eskom with coal at prices lower than the cost of production.

ABUJA

Nigeria appoints new state oil firm boss after May graft purge

Nigerian President Muhammadu Buhari has appointed a new head of the country's corruption-hit state oil company, weeks after sacking the entire board, his spokesman said on Tuesday. Buhari took office on May 29 and axed Nigerian National Petroleum Company (NNPC) chief Joseph Thlama Dawha and his directors less than a month later after vowing to tackle what he called "the evil of corruption".

Emmanuel Ibe Kachikwu's appointment as NNPC group managing director was announced in a statement from Buhari's spokesman Femi Adesina.

SA court throws out fraud case against Malema

A judge threw out corruption charges against South African Opposition firebrand Julius Malema on Tuesday, a ruling hailed as a major victory by the vocal critic of President Jacob Zuma.

Malema had been accused of money laundering, racketeering and fraud relating to government contracts. But Judge George Mothele said he had waited too long for his trial after a string of postponements, and told him: "You are free to go."

The National Prosecuting Authority (NPA) said the move did not constitute an acquittal and the action could be revived at a later date. But political analyst Nic Borain said the outcome was an embarrassment and showed the state's "general incompetence to assemble a case".

"If this was a conspiracy to besmirch Malema's name, it looks



Julius Malema walks out of court. AFP

like it was carried out very poorly," Borain said.

Malema, once a leading figure in the ruling African National Congress (ANC), had regularly dismissed the charges as a government conspiracy to silence and discredit him.

"I stand in front of you, an inno-

cent man," Malema told journalists and supporters outside the Polokwane High Court in his northern home province of Limpopo.

"There are no allegations whatsoever but I know, because we are dealing with dogs, they are going to manufacture something new. They are free to do that."

Malema was expelled from the ANC in 2012 for ill-discipline, in one of the biggest fractures in the party that dominates South African politics. He now heads the ultra-left Economic Freedom Fighters (EFF), the second largest Opposition group, regularly accuses the government of corruption and presents himself as a champion for impoverished blacks whose lives have changed little since apartheid ended in 1994.

"This is not an acquittal, the matter was just struck off the roll, the de-

partment of public prosecutions can be approached to reinstate the matter," National Prosecuting Authority spokesperson Luvuyo Mfaku told the ENCA television channel.

The charges against Malema related to a government contract worth Sh400 million (\$4 million) awarded by a provincial department to a company in which Malema held a stake through his family trust. The contract was for the construction of roads in Malema's home region.

Malema was accused of improperly receiving the cash for the contract in a conspiracy involving state tenders. Malema, who once headed the ANC's powerful youth wing and played a pivotal part in Zuma's rise to power, has urged the president to pay back millions of dollars of state funds spent on renovating his home.

-REUTERS



THURSDAY, AUGUST 6 2015

Digital BUSINESS

TECHNOLOGY
SYSTEMS
INNOVATIONS
INFORMATION
GADGET REVIEWS

REPORT Communication Authority says subscribers prefer SMS when travelling across EAC states



A woman surfs the Internet using a mobile phone. MARTIN MUKANGU

High charges discourage data roaming across East Africa

BY OKUTTAH MARK

The high cost of accessing data bundles while roaming across East Africa has made Kenyan mobile subscribers shy away from using the service, instead preferring the Short Message Services (SMS), a report by the Communications Authority of Kenya (CA) indicates.

The quarterly report covering the three months to March indicates that local mobile subscribers only used one million megabytes (MB) of data compared to 19.9 million messages sent during the period.

High data costs while roaming have seen most mobile users shift the use of data tariffs and adopt the use of Over the Top (OTT) services such as WhatsApp, Viber and Hangout, among others.

South Sudan leads among countries with little data service usage by Kenyan subscribers at 2,676 MB, followed by Rwanda (189,282 MB), Uganda (350,299 MB) and Tanzania (555,485 MB).

Safaricom and Airtel have blamed poor telecommunication infrastructure in some countries where satellite is being used to offer broadband services, making it costly compared to those

using fibre optic cables.

In Uganda, for example, an operator using fibre optic cable charges Safaricom subscribers Sh14 per megabyte while those using satellite charge Sh75 per megabyte. Airtel charges a standard rate of Sh46 per megabyte for data roaming in Uganda and Rwanda.

During the East Africa ICT ministers meeting held in Kampala on June 5, ICT Secretary Fred Matiang'i announced that his ministry and the industry regulator CA have initiated talks with other East Africa Community (EAC) states to harmonise data and SMS tariffs across the region.

"We are working on a proposal to have tariffs of SMS and those of mobile money transfer be harmonised within the region. Each of the East Africa member states will have to put a proposal to their respective Treasury and get their advice because it will have a revenue implication to the governments," Dr Matiang'i told the *Business Daily* in an interview.

He added that the mobile operators will have to negotiate and agree on an inter-operator rate that will

Costs

- In Uganda an operator using fibre optic cable charges Safaricom subscribers Sh14 per MB while those using satellite charge Sh75 per MB.
- Airtel charges a standard rate of Sh46 per MB for data roaming in Uganda and Rwanda.

then be presented to their respective ICT ministries before being tabled to the East Africa ICT ministers for discussion during the next Northern Corridor summit.

"The consultation with the private sector is necessary since we understand that they are also in business. However, we would also want to see that our people are not overcharged,"

The EAC states intend to replicate the success of harmonised voice tariffs that saw Safaricom and Airtel reduce their voice roaming charges by 60 per cent. This has led to increased communication

across the region.

According to the latest sector quarterly report, voice traffic within EAC grew by 113 per cent after the harmonisation of the roaming voice tariffs.

"The number of international incoming voice minutes from East Africa grew tremendously by 113.4 per cent to record at 49.2 million minutes, up from 20.7 million minutes recorded during the last quarter," the CA report indicated. "At the same time international incoming calls from other countries grew by 2.3 per cent to stand at 130 million minutes up from 127 million minutes realised during the last quarter."

In September 2014, Safaricom slashed its calling rates to Rwanda by 60 per cent to Sh10 per minute. In May the telco also cut roaming charges for its subscribers travelling to South Sudan to Sh10 from Sh65 per minute.

Airtel subscribers are now charged Sh9 a minute from Sh23 a minute and one shilling less than the charges by rival Safaricom.

Retail data roaming prices are mainly driven by inter-operator tariffs; these differ from operator to operator, depending on the level of data infrastructure development.

Both Safaricom and Airtel said although they welcome the inter-governmental move, the operators should have been allowed to self-regulate.

Safaricom yesterday said it supports a market-driven approach to retail pricing, but added that it will take time to have harmonised roaming data charges in the region.

"We believe this would be difficult given the disparities in the levels of data penetration in different countries and the costs of backhauling the Internet to these countries," Stephen Chege, Safaricom's corporate and communications director told the *Business Daily*. He added that the four countries are at different levels of infrastructure development, which poses a challenge in ensuring a fair pricing model.

"Introduction of regulated data roaming will grossly affect the revenues of both visited and home operators who currently benefit from wholesale roaming with the home operators benefiting from a fraction of the wholesale revenues," Airtel said.

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CA in campaign to protect children from cyber crime

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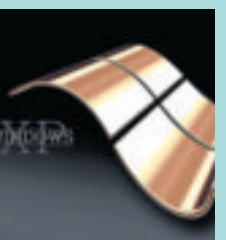
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Mobile heart monitor boosts early detection of cardiac problems

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MARKETING



What options do Windows XP and Vista users have in Windows 10 world?

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TECH IN ACTION



A school computer workshop. Progress remains slow on many innovations that require a new generation of builders. FILE

Maker movement is here: Craftsmen back in vogue

A recent visit to my former high school found me among well-worn classrooms, adjacent to workshops that I have fond memories of.

You see, I was inadvertently forced to take a rather unpopular subject, metalwork, and remember other students in a different set who frowned on having been allocated electricity in an environment that embraced doing triple sciences — biology, chemistry and physics — topped up with commerce. That was the perfect blend.

I remember the hum of the machines; measuring, cutting, bending, drilling and slowly seeing what only an idea fashioned into a product was once.

The machining tools were aged and the drawings mainly off the drafting board with callipers, protractors, rulers and various grades of the HB pencil at hand, with the experience the software aided part by way of AutoCad well after my final year exams.

Enough with nostalgia. The reality is that the workshops have since seen a change in use with amendments in the curriculum having seen technical subjects fall of the menu of knowledge aspiration. Also polytechnics that served as the continuing grounds for those keen to enhance their skills have taken on new identities. Now that I am invested in a hardware play, the dearth of technical skills to build out things is evident. Currently, without a good purse to import ready skilled maker

talent, progress remains slow on many innovations that require a new generation of builders, empowered by affordable access to tools, materials and production facilities that can be quickly configured to output parts or handle an entire assembly.

The opportunity for makers is growing, evidenced by the coalescing of initiatives to unlock talent.

Village Capital, which operates business development programmes for early-stage entrepreneurs in agriculture, education, energy, financial inclusion and health recently announced the launch of their first hardware accelerator in Africa, in partnership with Gearbox; Kenya's first open makerspace for design and rapid prototyping.

They will take in 12 high-potential invention-based ventures over the next few months.

Nest VC, which also recently set up shop in Kenya, is driving the Infiniti Accelerator — a 12-week programme run by a full-time, dedicated team that will see up to eight startups from across the globe selected to go to Hong Kong to accelerate their Internet of things businesses.

The makers are back in vogue, owners of capital have realised it and educators should too.

Njihia is CEO of Symbiotic | www.mbuguanjihia.com | @mbuguanjihia

Mobile heart monitor boosts early detection of cardiac problems

» **HEALTH** Alivecore mobile ECG can detect underlying problems based on heart rhythm



While in her early 20s, Mary Anyango noticed that her heart would beat too fast at times, even when she was just seated and not working out.

She ignored it for a while thinking that it was perhaps due to stress since she was pursuing two degree courses at the time whilst holding a part time job at a local supermarket.

"One minute I would get palpitations and feel my heart pounding in my chest. Then after a few minutes, everything would be back to normal." She ignored the condition for years until her late thirties when the palpitations worsened.

"I was getting them many times in a month. And every time I would feel dizzy. This got me worried."

For her doctor to make the right diagnosis, he needed to monitor Anyango's heart rhythm at the time when she was

having the palpitations. "But it was impossible to do that. Every time I went to hospital the palpitations didn't come. And so no diagnosis could take place."

People like Anyango can now benefit from a special mobile phone heart monitor known as Alivecore Mobile Electrocardiogram (ECG). Since its launch in 2012, the device has predominantly been used in the United States and Europe. But it is now gaining ground in the country.

The Alivecore ECG allows users to monitor the electrical activity of their heart and determine whether there is an underlying problem causing abnormalities in their heart rhythm.

A natural electrical system causes the heart muscles to contract well, allowing them to effectively pump blood to the lungs and the rest of the body. But when the heart's electrical activity is compromised, the muscles contract poorly thus leading to irregular heartbeats (too fast or too slow) which can damage the heart if left untreated.

The Alivecore ECG monitor device resembles a hollow plastic phone protection

If I can't detect symptoms when the patient is in my clinic, they can use the Alivecore to record their heart rhythm

DR JELIAM MONAMMED,
CARDIOLOGIST AGA KHAN HOSPITAL



Dr Jeilan Mohammed (right) shows a colleague how the Alivecore mobile ECG device is attached to a smartphone. The device which costs Sh8,000 has been described as a useful tool for diagnosis and management of heart diseases.

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Their heart on their phone vised to first do - at no cost - fr stores before u

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Tech bytes

CA launches three-month campaign to protect children from cyber crime

Communications Authority of Kenya (CA) has launched a campaign on child online protection to raise awareness of the types of crime that children are exposed to in the cyberspace.

Dubbed Be the Cop, the campaign highlights the role that parents, guardians and teachers need to play to protect children in cyberspace and at the same time provides avenues of redress should one encounter cybercrime.

The authority has partnered with other organisations that play a role in safeguarding children including Department of Children Services, The Cradle, Kenya Girl Guides Association, Kenya Scouts Association, Kenya Association of Professional Counsellors, United Nations Children Fund (UNICEF), Plan International and Childline Kenya. CA has also partnered with service providers such as Google, Orange, Airtel and Safaricom.

"A study by the authority shows that teenagers are



more concerned with cyber bullying while adults are more concerned that children and teenagers are accessing pornography. The study further reveals that parents, guardians and teachers seem to be unable to monitor what children and teens are doing online," said Francis Wangusi (pictured), the CA director-general.

The authority noted that the tool that provides endless pos harbours criminals and the iss dren is a global concern.

The child online protection aw will run for a period of three m print, outdoor and online medi

African ICT leaders launch initiative to improve accuracy of data

A group of prominent African I data and innovation from Ghana, Rwanda and Senegal announced the Accur8Africa platform to improve data in the continent before the Sustainable Development Goals Summit in New York in September at the 70th General Assembly.

Accur8Africa is pushing for an lution, which should ensure th nessed to impact on planning



Tech in action
BY OKUTTAH MARK

PricewaterhouseCoopers and CIO East Africa link up to fete innovative firms

CIO East Africa has partnered with consulting firm PricewaterhouseCoopers Kenya (PwC) for the fifth edition of the annual CIO100 Awards set for November.

The regional CIO100 Awards celebrate companies from Kenya, Uganda and Tanzania for their innovative use of IT. The awards ceremony is an offshoot of the global CIO100 Awards which have been held for over two decades, during which time the awards have identified and recognised 100 companies that demonstrate excellence and achievement in IT across the globe.

The awards also provide an opportunity for businesses to share with their peers about the technological innovations that have enabled or led the way to greater success for their organisation.

As part of the collaboration, PwC will provide technical support for the CIO100 survey and also offer management support. CIO East Africa will coordinate the application and manage the two-day CIO100 Awards and Symposium.

"We have been running CIO100 for the past four years and felt it was now time to string strategic partnerships that will add value to both the applicants and conference

attendees in November. PwC is the right partner given their continued involvement in the sector and their experience in running these kinds of activities," Andrew Karanja, director, CIO East Africa noted

Across the Globe, CIO's are focusing on winning in the digital era of IT, what a recent report refers to as 'Flipping to Digital Leadership' where digitalisation is transforming business models and determining who will win, in what is now commonly referred to as the 'digital now, digital first' reality.

The CIO 100 Survey enables firms as well as small and medium enterprises - SMEs - to nominate and share with industry the various technology innovations that have enabled them enhance their operations. To be selected for a CIO100 Award, an organisation has to demonstrate excellence in Technology Innovation and Business Value Delivery.

The 2014 CIO100 Mega Trends Report - compiled from the CIO100 Survey responses - found that more than two thirds of respondents had used new technology for the first time and saw their organisation as a "front-runner" in terms of Information and Communication Technology.



CIO East Africa director Andrew Karanja. SALATON NJAU

blog of the week

<https://www.techweez.com/>

Windows 10 has been with us for a week now. Well, at least on an official basis since there are at least five million insiders who were actively involved in helping Microsoft test their latest operating system long before the global release. I have been using the operating system for my day-to-day tasks since day one. There are a few things that I like and others that I do not. Thanks to not owning a convertible, there are some features of Windows 10 (mostly touch-based) like Continuum that I am yet to experience so I am not able to tell personally if they work as advertised or they are plagued by endless bugs. We've heard that Microsoft is working on releasing as many updates as possible in the shortest time frame to address most of the bugs.

NOTE: Blog quotes in this section are edited and do not in any way represent the views of this newspaper or its editors.



an underlying heart problem or not.

"We, as doctors will therefore be addressing a real problem instead of guessing yet some palpitations may be harmless."

Whereas people may not be in a position to come to hospital at all times, a majority carry their mobile phones everywhere they go. They are therefore best placed to capture their heart rhythms any time they experience 'funny' heart rhythms.

As such, the Alivecore mobile ECG monitor also acts as a prevention tool, allowing doctors to detect and correct heart problems before they worsen and put those affected at risk of death.

Underlying conditions such as heart ailments due to hypertension, heart valve disease or heart muscle disease can cause irregular heartbeats (atrial fibrillation) leading to palpitations. This interrupts normal blood flow and may lead to formation of clots. If one of these clots breaks off and gets stuck in an artery in the brain, it can cause a stroke and sometimes instant death.

Once patients like Ms Anyango are put on medication, doctors can also use the Alivecore mobile ECG to monitor their treatment progress. "The patients can record their heart rates and send to me. They may be normal or abnormal. This allows me to tell if the medication they are taking is working," states Dr Mohammed.

This technology therefore facilitates remote diagnosis and management of heart patients, which is especially important for African countries like Kenya that suffer from an acute shortage of doctors let alone heart specialists.

Reducing deaths due to non-communicable diseases such as heart disease is now considered as a 'smart' sustainable development goal (SDG) that will enable affected countries - like Kenya - save lives and improve the well-being of her citizens. Cardiovascular ailments (including heart disease) are currently the second leading cause of death in the country, after infectious diseases.

They are mainly on the rise due to changing lifestyles such as excess consumption of fat and carbohydrates, lack of exercise, high alcohol consumption and cigarette smoking.

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Device's price

■ At a retail price of about Sh8,000, the Alivecore mobile monitor is priced lower than conventional heart rhythm monitors that patients pay daily renting charges for
■ Alivecore Company is trail blazing the innovation of mobile ECG technology, but others like Samsung and Apple are catching up.

problems just as they would with static ECG machines used in hospitals.

Dr Jeilan Mohammed, consultant Cardiologist at Aga Khan University Hospital (AKUH) has embraced the Alivecore technology and uses it to assess his patients.

"If I can't detect symptoms when the patient is at my clinic, they can use the Alivecore to record their heart rhythm at the time when the palpitations occur." Once the results are sent to him, Dr Mohammed states that he is able to correctly determine whether the person has

electrode strips on the back. Once to the phone, users press two or (from their left and right hand) codes for about 30 seconds.

Heart beat rhythm is then displayed on the screen. However, users are advised to download the Alivecore ECG app from their Apple or Android apps using the monitoring device.

The device needs to be opened or activated when the device is used. It enables people to show their heart rhythm patterns. The app then allows users to send this directly to their doctors, who can interpret the results and advise accordingly.

The Alivecore ECG monitor is different from other heart monitors encompassed in most smart phones.

The latter only measures the heart rate while the Alivecore measures electrical activity allowing doctors to detect heart

The Internet is a global possibilities, but also the issue of protecting children.

Awareness campaign for months in electronic, media.

Launch platform to data collected

Leaders in the field of Kenya, Zambia, announced the launch of the to improve the accuracy of the adoption of the goals (SDGs) in New United Nation Gen-

An African data revolution that data can be harvesting and decision making



A server room where data is stored. FILE

in the next 15 years, premised on the belief that accuracy of data remains a non-negotiable necessity for the continent's further progress. Many African data scientists even question basic population and GDP Data used in Africa in a view of weak census and GDP rebasing practices. Accur8Africa recognises that nothing less than a

data revolution is required now in Africa, from improvements in national census policies to a shift in how African economic outlooks are computed to ensure better capturing of the informal sector. To achieve this, the group is working with partners to support the innovative capacities of statistical institutions across Africa and encouraging the use of data-driven decisions alongside better development metrics for key sectors.

INNOVATION Microsoft's latest software comes with upgrades to boost efficiency in computing

What options do Windows XP and Vista users have in Windows 10 world?



Windows 10 is now available. Microsoft is currently offering the operating system for free for a limited time to Windows 7, Windows 8, and Windows 8.1 users. While this is great news for a majority of PC owners, those of you still holding on to a Windows XP or Windows Vista machine may be feeling left behind. All isn't lost, however, and there are still upgrade options available. Here's what you can do:

Do nothing

No one is forcing you to update to Windows 10. There are plenty of happy people with computers that "just work" running Windows XP or Windows Vista. Microsoft, however, no longer issues security updates and patches for Windows XP. This means that your PC is more vulnerable to malware. Windows Vista will no longer be receiving these patches in April of 2017.

Windows 10 isn't like the horrors you may have heard about with Windows 8. In fact, it isn't all that different from Vista or XP from a visual standpoint. Sure, there are some differences, but you will find a familiar Start button and the desk-

top interface you have come to know and love with Windows. In addition, however, Windows 10 also adds the helpful Cortana voice assistant to the desktop, a new Edge Web browser replaces Internet Explorer, and there's even Xbox One game streaming.

See if you can update to Windows 10

The requirements to run Windows 10 are the same as Windows 7. If your system meets the minimum hardware requirements, you can do a clean install of Windows but it will cost you. A copy of Windows 10 Home retails for \$119, while Windows 10 Pro

Systems specs

- **Processor:** 1GHz CPU or faster
- **RAM:** 1GB (32-bit) or 2GB (64-bit)
- **Disk space:** 16GB (32-bit) or 20GB (64-bit)
- **Graphics:** DirectX 9-capable video card with WDDM drive

costs \$199. There's also the Windows 10 Pro Pack for \$99. This will let you upgrade from Windows 10 Home to the Pro edition at a later time.

The good news is that you won't need a system with incredibly high-end hardware to run Windows 10, but some older machine may still not be capable of running it. Windows 10 requirements are:

Processor: 1GHz CPU or faster

RAM: 1GB (32-bit) or 2GB (64-bit)

Disk space: 16GB (32-bit) or 20GB (64-bit)

Graphics: DirectX 9-capable video card with WDDM driver

Scrap your old PC, and get a shiny new one that can run Windows 10

Even if your machine meets the minimum system requirements to run Windows 10, it may not do so very smoothly. It may be a better investment to buy a new PC, especially given that it costs \$120 to purchase Windows 10.

There are many laptops that range from as little as \$200 to \$500 that are capable of running Windows 10 without any known problems.

SOURCE: CNET



Gadget reviews

Moto G 3rd gen smartphone for daily life

We are living in a world that is obsessed with smartphones octa-core processors, 13-megapixel cameras, and gigabytes of RAM, but we don't spend enough time talking about how it feels to use a phone on an everyday basis.

Moto G 3rd gen smartphone boasts of relatively modest specifications when compared to the likes of the Lenovo K3 Note and Xiaomi Mi 4i, but packs in other goodies like water resistance that can potentially be a lifesaver.



Lenovo K3 Note fires salvo in price war

When manufacturers get into price wars, it is customers who win. Lenovo has fired the latest salvo with the Lenovo K3 Note, a 5.5-inch cheap smartphone, with specifications that would have been pretty much top tier not more than two years ago.

The company is breaking new ground in terms of value for money, but not so much in terms of strategy. The K3 note is available only in limited numbers and only through flash sales through an exclusive tie-up with a major online retailer.



Nokia unveils Ozo 360 degree VR camera

Nokia has announced its first commercially available its Ozo 360-degree VR camera at an event in Los Angeles. The Ozo is said to be the first in the portfolio of digital media solutions from Nokia Technologies, the firm's advanced technology and licensing business. In a press statement, Nokia announced that the final testing and refinements to Ozo would be done in partnership with industry professionals, before commercial release. The Ozo virtual reality (VR) camera is expected to start shipping in Q4 2015 and Nokia will be announcing the pricing and full technical specifications at a future date. The company confirmed that the Ozo would be manufactured in Finland. The device can capture stereoscopic 3D video through eight synchronised shutter sensors and audio through eight integrated microphones.

Tech Demystified

Open-source software gives firms best tools for innovation

A generation ago, open source was a new idea that seemed to have little applicability to big business. It was a playground for researchers (most of them academics), and their goal was to build a better system, not to make money.

Real business was done on closed systems built by companies like Microsoft, Oracle and IBM, all developed internally at what now seems like a snail's pace, with long multi-year R&D cycles. Companies no longer have the luxury of

time in our hyper-connected, cloud-based, fast-changing world. Competitors can quickly appear, and have been doing so in droves.

In this market, open-source software gives companies access to the best developer tools and code instantly, allowing for rapid innovation by letting them immediately benefit from the work of hundreds or thousands of developers, contributing just those pieces that are unique to their business or use case.

The streaming media behemoth Netflix also has been a leader in showing the effectiveness of open source for innovation in today's environment. When Netflix started streaming movies to millions of members, relying on Amazon Web Services as its cloud platform, no one was doing anything like it.

Netflix couldn't find any commercial tools to manage its system, so it had to create them. It could've painstakingly built proprietary tools, but instead it turned to the

open-source community for help — and in turn made the tools they created available to the public.

The result for Netflix has been a series of innovative tools that it calls its Simian Army. Chaos Monkey, for instance, randomly shuts off various virtual machines in a Netflix services on AWS to make sure that any given service will continue to work if another virtual machine gets knocked out. Another, Janitor Monkey, roams the system looking for unused resources and switches

them off, thereby cleaning up the system. Going open source aided Netflix get help from thousands of developers who don't work for Netflix but feel they would benefit from those same tools once developed. Without that help, Netflix would have had a very difficult time building the breakthrough streaming media features that have differentiated them as quickly as they needed while also attracting some of the best talent in the valley.

- TECHCRUNCH

MONEY & MARKETS

PRICES | RESULTS | DATA

Treasury's dollar exposure rises Sh219bn

▶ **BORROWING** CBK report for April shows 56pc rise in foreign credit from 45pc last December

BY CHARLES MWANIKI

Kenya's dollar-denominated debt rose Sh219 billion in the first four months of the year, exposing the country to higher interest costs following weakening of the shilling against the green back.

The rise was largely informed by a stronger dollar and the sovereign bond issue.

Central Bank of Kenya (CBK) monthly economic report for April shows the dollar-denominated portion of the total external debt of Sh1.33 trillion (\$13.6 billion) in April was equivalent to 56.3 per cent. It previously stood at 45.1 per cent in December 2014 when the external debt stood at Sh1.17 trillion.

The increase came as the debt denominated in Japanese Yen and Euro declined from 12.1 per cent and 29.9 per cent, respectively, to 9.6 per cent and 23.6 per cent during the period. The net change in total foreign debt was Sh156 billion.

"The rise in the US dollar-denominated component is attributed to the proceeds from the tap sale of the sovereign bond issued in June 2015...the growth in external debt during this period was largely attributed to exchange rate revaluation," said CBK in the report.

Kenya issued the tap sale at the

end of last year, raising Sh73.8 billion to add to the Sh176 billion (\$2 billion) raised in the initial Eurobond sale in June 2014.

The principal and interest repayments for external debt are made in the currency of denomination. The shilling has depreciated to the dollar to the tune of about 11.5 per cent this year, and the yen by 8.4 per cent, while against the Euro the shilling remains flat exchanging at 109.8 units.

The stronger dollar and yen, therefore, pushed up the debt load in local currency terms on account of revaluation.

According to the CBK data, debt owed International Development Association, Kenya's largest multilateral lender, amounted to Sh382 billion (\$3.9 billion) or 29.4 per cent of total external debt while that owed Japan, the largest bilateral lender, amounted to \$800 million, or 5.8 per cent of the total external debt as at the end of April.

The stake of the total external debt attributable to the central government stood at Sh1.28 trillion (97 per cent), with government guarantees to parastatal accounting for the remainder.

The increase in total debt load, taking into account that domestic debt has also grown in the first seven months of this year by Sh95 billion to Sh1.402

The growth in external debt during this period was largely attributed to exchange rate revaluation

CENTRAL BANK OF KENYA REPORT



The National Treasury Building in Nairobi. FILE

trillion, has raised concern over the strain the repayments will have on the economy in coming years.

Ratings agency Moody's said on Monday that Kenya's debt, at about 50 per cent of gross domestic product, remains manageable for now, but that continued wide budget deficits would begin to seriously erode the government's debt servicing capacity.

"In our view, the authorities' decision to seek IMF assistance with its two stand-by arrangements and their fiscal consolidation over the next four years are signals that the government recognises its fiscal vulnerabilities as

well as the need to build capacity to avoid a more difficult outcome," said Moody's.

Another international ratings agency, Fitch, announced two weeks ago it had put Kenya's credit rating — long-term foreign and local currency issuer default ratings — on a negative outlook from stable.

It signals that financial commitments are currently met but capacity for continued payment is vulnerable to deterioration in the business and economic environment.

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Mombasa tea auction prices fall marginally

BY GERALD ANDAE

Tea prices at the Mombasa auction on Tuesday dropped slightly after hitting new highs last month.

A kilogramme of made tea dropped to sell at Sh309 from Sh312 in the previous trade.

East African Tea Trade Association, however, downplayed the drop.

"The price fell by Sh0.3 cents during this week's auction, this is not a significant drop at all but we are monitoring the trends in the next two weeks," said managing director Edward Mudibo.

He said the demand for the commodity was still high at the auction and that they expect the prices to pick up in the coming auctions due to the declining volumes.

The volume of tea traded dropped from 5.5 kilogrammes last week to 4.9 kilogrammes in the Tuesday auction.

The price of tea registered a new high mid-last month, riding on high demand as volumes offered reduced. A kilogramme of the beverage fetched Sh314, the highest recorded this year.

Good coffee prices have been attributed to the good quality crop from farmers' new harvest.

Kenya's premium coffee, grade AA, registered a decline in price during this week's auction, selling at Sh22,400 a 50-kg bag compared to last week Sh22,800.

Chase Bank eyes Sh2.5bn injection to shore up capital base

BY GEORGE NGIGI

Chase Bank is set to expand its ownership through a private placement, after concluding its third cash call in as many years, to shore up a capital base that is running thin.

The bank raised Sh1.6 billion in the cash call that closed in June and an additional Sh600 million by selling shares to its staff members through the employee share ownership programme.

The lender also aims to raise Sh2.5 billion by introducing new shareholders in its books through a private placement which concludes in October.

"The total proceeds from the capital raising exercises will be used to

further strengthen the bank's capital base, support growth and onward lending activities, and fund branch expansion, investments in IT and other product development initiatives," reads a credit rating report by Global Credit Rating.

The South African agency gave an initial rating of A- with a stable outlook to the mid-sized bank.

Chase Bank core capital to total deposit ratio was at 10.5 per cent as at March, equal to the minimum requirement, which denies it room to take in new savings from the public. In the year to March, the bank had grown its deposit base by 56.4 per cent to Sh90.6 billion.

Bank owners are required to back



Chase Bank chairman Zafrullah Khan.

DIANANGILA

customer savings by investing at least Sh1 for every Sh9.5 they collect from

the public.

In June the lender also raised Sh4.8 billion seven-year debt through its debut corporate bond which is classified as tier II capital.

Chase Bank total capital to its loan book was also at par with the minimum requirement at 14.5 per cent giving it little space to increase its lending.

"GCR views the capital raising exercise as credit-positive," reads part of the credit rating report.

Chase Bank has been involved in a series of fund raising including inviting three strategic investors in the last two years.

Last year, the lender raised Sh1.3 billion through a rights issues following a similar amount raised in 2013

and Sh400 million in 2012. In 2011 it expanded its ownership through a private placement of Sh810 million.

The bank's institutional shareholders include Amethis Finance, German fund DEG, European Investment Bank (EIB) and Zurich-based asset management firm Responsibility Participations AG.

The bank has in the past relied heavily on long-term debt from multi-national lenders.

The lender's growth has seen it increase its market share to 2.98 per cent up from 1.87 per cent in 2012. This has seen it move up two places in the banking sector ranking to be 12th largest bank in an industry with 43 players.

MONEY & MARKETS

Market watchdog puts out new exchange funds commissions

BY GEORGE NGIGI

Exchange-traded funds (ETFs) investors will be charged fees equivalent to those charged equities market, Capital Markets Authority (CMA) has proposed.

The new collective investment products, modelled on unit trusts but with lower management fees, are some of the products the capital markets regulator plans to introduce in an effort to expand options available to investors.

“For a start, ETFs fees shall be equivalent to charges in the equities markets subject to revision by CMA notification,” reads part of the draft regulations published by CMA for public debate.

The commission for investing in shares is 2.1 per cent of the invest-

ment, an amount which is divided between the brokerage used by the investor, Nairobi Securities Exchange, the market regulator CMA, custodial body Central Depository and Settlement Corporation and the Investor Compensation Fund.

The regulator has also opened the door for offshore ETFs to be traded in the country but they will have to be priced in local currencies.

“ETFs offer a mechanism for reducing exposure to significant price fluctuations that sometimes characterise arbitrary buying and selling of securities,” said CMA acting chief executive Paul Muthaura.

An ETF is a fund to which investors contribute money which goes into buying securities that compose an index or



Capital Markets Authority acting chief executive Paul Muthaura. FILE

a defined group of securities — such as banking or insurance stocks — put together.

Just as is the case with equities, the

value of an investment in an ETF may go up as well as down as the market conditions change.

The ETFs will have price limits as

is the case with listed shares which are not allowed to gain or lose ten per cent of their price in one day trading.

However off-shore ETFs intra-day price limits will be guided by their domicile market and forex fluctuations.

ETFs are not capital protected. There is, therefore, no guarantee that on selling after purchase, investors would get back the whole amount invested.

The investor gets exposed to the index, such as the NSE 20-share index, meaning his money sometimes buys a portion of all shares that make up the index.

Because the targeted group of securities are pre-determined, the investor is saved the costs and efforts of having to construct a portfolio of companies to buy into.

CAPITAL FLIGHT Nigeria Stock Exchange gains from sell-offs as Kenyan market tumbles

Foreign outflows hit Sh7.5 billion in seven months

BY CHARLES MWANIKI

Foreign investors recorded a fifth straight month of net outflows from the Nairobi Securities Exchange in July, largely contributing to the bourse shedding 10 per cent value in the month.

Market data compiled by Standard Investment Bank shows the bourse registered net foreign outflows of Sh1.4 billion (\$13.88 million) in July, the fifth straight month of net outflows, largely on account of foreign selling on the Equity Holdings counter. The cumulative net outflows for the first seven months of the year stood at Sh7.5 billion.

The outflows have coincided with a rebound of the Nigeria Stock Exchange, which recorded net inflows of Sh8.5 billion (\$83.1 million) in the second quarter of the year after witnessing outflows of Sh95 billion (\$960.55 million) between January 2014 and March this year.

Analysts have pointed to the Nigerian market as one of the destinations of capital fleeing the Kenyan market — and other peer bourses on the continent — following the successful elections in Africa's largest economy and renewed business optimism.

“When we were doing well in our market the Nigerian market was quite negative, ahead of their March elections. Since then we have seen their market recover as ours started its slide — although this is just one of several factors contributing to the outflows,” said Old Mutual Securities analyst Halima Saadia.

Equity Holdings led the market in net foreign outflows last month at Sh2.2 billion (\$21.6 million), followed by BAT Ltd at Sh178.1 million (\$1.75 million).

Equity shed 17.4 per cent during the month to end at Sh39.75 a share on selling pressure, while BAT was unchanged at Sh741.

CfC Stanbic saw outflows of Sh96 million while East African Breweries Ltd saw foreigners sell off a net of Sh80.3 million.

CfC Stanbic, down 23.4 per cent year-to-date (16.7 per cent down in July), performance was cited as one of the reasons for

pan-African fund Allan Grey's 10 per cent decline in returns on African equities.

On the inflow side, KCB Group in July led the market with a net of Sh412.6 million (\$4.04 million). Co-operative Bank was second on Sh242 million (\$2.4 million) followed by Safaricom which recorded net inflows



A Nairobi Securities Exchange staff take notes at the bourse on July 28. SALATON NJAU

of Sh224 million (\$2.2 million).

Other than outflows to Nigeria, analysts also say the US market could be pulling back some capital from emerging and frontier markets as its economy improves.

“Foreigners, who control a lot of the NSE activity are moving, for example, to the US where the Federal Reserve is expected to raise its bank rates, making the fixed income market there very attractive,” said ABC capital analyst Joshua Otiende.

Other factors at play include the weakening shilling that has seen sell-offs as foreigners rush to protect the dollar value of their investments, and the capital gains tax (CGT) which was reintroduced in January.

The CGT issue contributed to the negative sentiment in the market in the first half of the year. There was a standoff between stockbrokers and the government over modality of its implementation.

The Treasury announced in June it would replace CGT on stocks with a withholding tax at 0.3 per cent of the gross transaction value of listed securities, with expectations being that this would boost the market.

However, market players were celebrating too early as the proposal is set to be implemented next year, meaning investors at the bourse would continue paying capital tax until the end of the year.

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Shilling gains on tight liquidity, focus on MPC

The Kenya shilling firmed yesterday, helped by a liquidity squeeze that has led to rising overnight lending rates, but trade was cautious hours ahead of central bank's interest rates decision.

At 10.56am, commercial banks quoted the shilling at 100.95/101.15 to the dollar compared with Tuesday's close of 101.10/20.

Traders said due to tight liquidity in the money market, interbank lending rates had risen further and made it costly to hold dollars, which was supporting the shilling.

The weighted average interbank lending rate jumped to 20.4375 per cent on Tuesday from 19.8170 per cent a day earlier, and hit an intraday high of 22 per cent.

Dollar positions

“In the morning it had appreciated. It's being driven by the cost of holding any long dollar positions,” a trader at one commercial bank said.

“The way (overnight lending) rates have seriously gone up, most banks are funding their shilling positions by maintaining short dollar positions.”

A trader at another bank said trade was expected to be subdued while the market awaits the outcome of the central bank's Monetary Policy Committee meeting later in the day.

A Reuters poll of analysts showed they expect the bank to raise the rate to 12 per cent from 11.50 per cent.

The central bank said it planned to mop up Sh3 billion in excess liquidity (\$30 million) from the money markets.

-REUTERS



The dollar index, which measures it against a basket of currencies, rose to 98.218, its highest since April 23. FILE

Dollar rises on Fed Reserve rate bets, earnings lift shares

The dollar rose to its highest in more than three months and US Treasury yields rebounded from two-month lows yesterday, after a Federal Reserve official said the central bank was close to raising interest rates.

The comments on Tuesday from Atlanta Federal Reserve President Dennis Lockhart, regarded as one of the Federal Open Market Committee's centrist policymakers, put next month back on the table for the first US rate hike in almost a decade.

Solid European corporate earnings, notably from French bank Societe Generale, boosted stocks after Lockhart's comments and a slide in Apple shares soured sentiment the previous day.

The dollar's strength kept gold prices anchored near recent five-year lows, though oil clawed back a small part of the 20 percent it has lost in the past month.

"The market has been wrong-footed once more by the Federal Reserve," said Kathleen Brooks, research director at FOREX.com.

"A rate hike cometh - time for the market to play catch up."

The dollar index, which measures it against a basket of currencies, rose to 98.218, its highest since April 23.

The greenback was close to multi-year highs against emerging market currencies including the South African rand, Brazilian real and Indonesian rupiah. The euro fell 0.25 percent to a two-week low of \$1.0847. Investors narrowed the odds on a September US rate hike, with Fed

fund futures implying around a 1-in-2 chance, compared with around 1-in-3 after weak wage growth data last week.

Yields on 10-year Treasury notes rose three basis points on the day to 2.24 per cent, having hit two-month lows around 2.14 percent earlier this week.

In stocks, Europe's index of the leading 300 shares was up 0.8 per cent at 1,593 points, Britain's FTSE 100 was up a third of one percent and Germany's DAX up one per cent.

France's CAC 40 was also up 1 percent, led by a 8.5 per-

cent surge in SocGen shares after the bank reported second-quarter results that beat analysts' forecasts.

A report on Spain's service sector, which showed the fastest pace of growth in three months and strongest hiring in eight years, also boosted investor sentiment

in Europe.

Earlier in Asia, Japan's Nikkei rose 0.5 percent but MSCI's broadest index of Asia-Pacific shares outside Japan slipped 0.2 percent.

In China, the CSI300 index of the largest listed companies in Shanghai and Shenzhen was flat after curbs on short-selling prompted a sizable bounce on Tuesday.

There were also signs Chinese consumers could be taking over from manufacturers as the Caixin/Markit survey of services climbed to its highest in 11 months. Losses on Wall Street on Tuesday had been modest with the Dow ending 0.27 percent lower.

-REUTERS

Hope for quick recovery of oil price dimmed by 2020 orders

CRUDE The cost for delivery in December 2020 nearly \$8 lower than the start of this year

As oil prices entered a second steep slide a few weeks ago, bullish traders and analysts had hoped for a repeat of the sharp but short dip that occurred early in the year — a speculative slide below \$50 (Sh5,000) a barrel followed by a quick recovery.

Some are now reconsidering that view, as long-term oil prices take the lead in the market's latest dive, swaying sentiment toward a lengthier slump that would mean prolonged pain for big producers, from Exxon Mobil Corp to Saudi Arabia.

While immediate delivery benchmark global Brent crude oil futures at \$50 a barrel are still about \$4 (Sh400) higher than they were at their lowest point in January, prices for delivery in December 2020 are nearly \$8 (Sh800) lower than the start of this year, trading at a contract low of less than \$67 (Sh6,700) on Tuesday. A year ago the contract hovered at around \$100 (Sh10,000) a barrel.

The reason for the deterioration of the forward curve and decline in "long-dated" futures is a subject of debate.

But even some who disagree with the fundamental logic of lower long-dated prices are coming round to the scenario that prices will be lower for longer.

"The back of the market has led prices lower as speculators are no longer convinced higher oil prices are required to balance future oil supply and demand," consultants PIRA Energy Group, which called last year's price slide but has also predicted a sharp rebound, wrote in a note this week.

The firm does not make its specific forecasts public.

"PIRA disagrees with this view, but a 'show me' mindset regarding tightening balances will keep prices lower than forecast earlier." Some believe the recent selloff was fuelled by speculators fleeing the market amid collapsing confidence after China's stock market crash, and



The retreat in long-term oil prices started last year when Saudi Arabia made clear it would no longer cut production in order to tighten up sloppy markets. FILE

exacerbated by a lack of liquidity and resumption of hedging by producers including Mexico, which sell futures to guard against lower prices. "The decline in calendar year 2016 prices has been overstated, in our view," analysts at Barclays wrote this week. "Fundamental tightening, demand and stock revisions, and current positioning are likely to raise prices in the months ahead."

Others say it stems from more deeply rooted fundamental factors, such as falling production costs in the US shale patch and expectations of rising exports from Iran next year following a landmark nuclear agreement - and if so, far forward prices may be flashing warning lights for the future.

Sloppy markets

The retreat in long-term oil prices commenced in the latter part of last year, when Saudi Arabia made clear it would no longer cut production in order to tighten up sloppy markets.

Absent the kingdom's implicit promise to defend prices, the value of Brent crude oil for five years in the future LCOc60 slid from nearly \$90 a barrel in late November to around \$72 almost two months later.

Over the past month, however, it has dived anew, reaching nearly \$66 a barrel on Tuesday, its lowest since 2009.

Last week, analysts at ABNAMRO cut its 2016 oil price forecasts by \$10 a barrel on a mix of factors including falling production costs, disappointing demand, a stronger US dollar and deteriorating market sentiment.

"What we see is that the U-shape recovery which we still expect for oil prices will take longer to materialize," Senior Energy Economist Hans van Cleef told the Reuters Global Oil Forum last week.

The question for oil executives, traders and analysts is whether this represents a new equilibrium for the market — a price high enough to encourage just enough new production in the future to meet demand, which continues to grow.

Standard Chartered's Paul Horsnell, one of the most bullish forecasters in Reuters monthly poll with a projection for \$93 Brent in 2017 OIL POLL, says no-long-dated prices are too low, although the latest slide may signal a deferred recovery.

"Is this a market transitioning from a view of an inevitable bounce in 2016 to adding another year onto the rebound? We just don't know yet," said Horsnell.

And while some big companies such as BP Plc and Royal Dutch Shell Plc are preparing investors for a more extended downturn, some are still signalling cautious optimism.

-REUTERS

Brent rises toward \$51 ahead of US stocks data

Benchmark Brent crude oil prices rose above a key support level of \$50 yesterday, up for a second session from multi-month lows, as investors await US oil inventories data to gauge supply.

Oil markets paused for a breather after prices tumbled about 20 percent in July because of a supply glut.

OPEC continued to pump at record rates in July and US shale oil production showed no sign of abating as drillers added

more rigs in past two weeks.

A landmark nuclear deal struck between Tehran and world powers has sparked concerns of more Iranian oil returning to global markets and worries about fuel demand growth has also dragged down oil prices. "The market is still digesting news of Iran coming back with more supply," Ben Le Brun, a markets analyst at OptionsXpress in Sydney said. "There is uncertainty in terms of

demand growth being able to pick up the slack caused by a supply glut."

September Brent crude LCOc1 rose 62 cents to \$50.61 a barrel by 0629 GMT after gaining 1 percent in the previous session, up from a six-month low on Monday.

US crude for September delivery CLc1 gained 54 cents to \$46.28 a barrel, recovering from a four-month low touched on Monday.

-REUTERS

MARKET DATA

Agro Commodities Market

Early Morning wholesale commodity prices Date 05-08-2015								
COMMODITY	Unit	Kg	Nairobi	Mombasa	Kisumu	Nakuru	Eldoret	Embu
CEREAL								
Dry Maize	Bag	90	2900	3100	3200	2600	2700	2800
Green Maize	Ext Bag	115	2400	6500	2200	1600	900	2300
Finger Millet	Bag	90	7200	7200	7200	5800	6750	6000
Sorghum	Bag	90	3600	3600	3400	2700	4950	3600
Wheat	Bag	90	4000				3400	4800
LEGUMES								
Beans Canadian	Bag	90	6000		7200	5000		5500
Beans Rosecoco	Bag	90	6000	5600	6800	5000	5400	5800
Beans Mwitemia	Bag	90	5800	5300		4500	5400	4400
Mwezi Moja	Bag	90	5700					5500
Dolichos (Njahi)	Bag	90	11200	11700		10800	9000	6000
Green Gram	Bag	90	11500	9900	12000	8100	9000	9000
Cowpeas	Bag	90	7000	5400	8000	7200	4050	4000
Fresh Peas	Bag	51	1800	2000	2800	2200	1530	1700
Groundnuts	Bag	110	13000	14850	12000	13700	11250	15000
ROOTS & TUBERS								
Red Irish Potatoes	Bag	50	1600	1700	2200	1600	1000	1600
White Irish Potatoes	Bag	50	1500	2200	2200	1600	800	1600
Cassava Fresh	Bag	99	1800	1600	2000			1900
Sweet Potatoes	Bag	98	3000	3100	2500	2500	1600	2800
VEGETABLES								
Cabbages	Ext Bag	126	1400	1700	900		1200	2500
Cooking Bananas	Med Bunch	22	540	700	350	350	900	390
Ripe Bananas	Med Bunch	14	600	400	350	750	700	500
Carrots	Ext Bag	138	2800	3000	4000	2500	1000	4000
Tomatoes	Lg Box	64	4800	5000	4000	4000	3600	2500
Onions Dry	net	13	900	750	1040	750	1040	750
Spring Onions	Bag	142	1600	4000	1500	1000	700	3500
Chillies	Bag	38	1700	1500	1500	2000		3400
Cucumber	Bag	50	1800	2000				5000
Capsicums	Bag	50	2000	2000	2300		1700	4000
Brinjals	Bag	44	1700	900	1400			2600
Cauliflower	crate	39	1700	3900		800		3500
Lettuce	Bag	51	1800	2000				3000
FRUITS								
Passion Fruits	Bag	57	4500	6000	3000	5000	2200	7000
Oranges	Bag	93	2800	3800	3500	3200	3600	3500
Lemons	Bag	95	2600	2700	1800	2700		
Mangoes Local	Bag	126	2200	1500	2500	3000	2400	
Mangoes Ngowe	Sm Basket	25	1000	1500	1800	500	700	2000
Limes	net	13	1000	750				
Pineapples	Dozen	13	720	900	620	480	1040	1000
Pawpaw	Lg Box	54	1600	1300	1500	3000	1600	1600
Avocado	Bag	90	1800	3000	1700	2000	1600	1900
Kales	Bag	50	1000	1000	1200	800	800	1000
OTHERS								
Eggs	Tray		300	360	270	300	360	320

SOURCE: STATE DEPARTMENT OF AGRICULTURE. EMAIL MARKETINFO@KILIMO.GO.KE

MSCI Emerging Markets Sector Indices

NAME	LAST	PCT.CHNG	NET.CHNG	OPEN	HIGH	LOW	CLOSE
CI-UAE	462.43	1.69	▲ 7.672	462.43	462.43	462.43	454.76
CI-AC AMER.	1,073.90	1.66	▲ 17.582	1,073.90	1,073.90	1,073.90	1,056.32
CI-ASIA PAC	138.57	-1.17	▼ -1.638	138.57	138.57	138.57	140.20
CI-ARGENTINA	1,704.40	-10.24	▼ -194.492	1,704.40	1,704.40	1,704.40	1,898.89
CI-BRIC	535.45	-6.59	▼ -37.783	535.45	535.45	535.45	573.23
BRIC	255.00	-8.74	▼ -24.411	255.00	255.00	255.00	279.41
BRIC GROWTH	489.65	-5.92	▼ -30.814	489.65	489.65	489.65	520.46
BRIC VALUE	420.94	-7.28	▼ -33.036	420.94	420.94	420.94	453.98
CI-BAHRAIN	103.76	-2.12	▼ -2.245	103.76	103.76	103.76	106.00
CI-BRAZIL FREE	1,884.61	-3.68	▼ -71.946	1,884.61	1,884.61	1,884.61	1,956.56
CI-CHILE	4,105.60	-0.51	▼ -20.854	4,105.60	4,105.60	4,105.60	4,126.45
CI-CHINA FREE	66.24	-10.94	▼ -8.134	66.24	66.24	66.24	74.37
CI-COLOMBIA	2,296.03	-1.02	▼ -23.63	2,296.03	2,296.03	2,296.03	2,319.66
CI-CZECH REPUBLI	290.43	3.49	▲ 9.798	290.43	290.43	290.43	280.63
CI-EU	489.31	3.82	▲ 18.023	489.31	489.31	489.31	471.29
CI-EM	48,081.28	-4.69	▼ -2367.969	48,081.28	48,081.28	48,081.28	50,449.25
CI-EGYPT	1,742.41	-1.09	▼ -19.19	1,742.41	1,742.41	1,742.41	1,761.60
CI-C.FE	122.75	-2.17	▼ -2.717	122.75	122.75	122.75	125.47
CI-HUNGARY	1,049.68	3.24	▲ 32.965	1,049.68	1,049.68	1,049.68	1,016.71
CI-INDIA	1,056.61	2.17	▲ 22.47	1,056.81	1,056.81	1,056.81	1,034.34
CI-JOEG & MA	1,144.20	1.01	▲ 11.394	1,144.20	1,144.20	1,144.20	1,132.80
CI-KOREA	525.56	-3.58	▼ -19.486	525.56	525.56	525.56	545.05
CI-KUWAIT	505.31	-0.82	▼ -4.201	505.31	505.31	505.31	509.51
CI-EM LAMERICA	67,040.11	-2.5	▼ -1716.117	67,040.11	67,040.11	67,040.11	68,756.23
CI-SRI LANKA	730.20	8.93	▲ 59.847	730.20	730.20	730.20	670.35
CI-MOROCCO	279.45	3.8	▲ 10.236	279.45	279.45	279.45	269.21
CI-EM E.EUROPE	255.01	-1.47	▼ -3.802	255.01	255.01	255.01	258.81
CI-EM FAR EAST	595.38	-6.84	▼ -43.713	595.38	595.38	595.38	639.09
CI-EM ASIA	708.61	-5.83	▼ -43.844	708.61	708.61	708.61	752.45
CI-EM EUROPE	4,633.99	-1.67	▼ -78.911	4,633.99	4,633.99	4,633.99	4,712.90
CI-MALAYSIA FREE	600.02	0.93	▲ 5.502	600.02	600.02	600.02	594.51
CI-OMAN	778.75	2.18	▲ 16.599	778.75	778.75	778.75	762.15
CI-PERU	1,928.16	-8.34	▼ -175.496	1,928.16	1,928.16	1,928.16	2,103.65
CI-PHILIPP.FREE	1,296.63	-0.07	▼ -0.918	1,296.63	1,296.63	1,296.63	1,297.55
CI-PAKISTAN	137.69	3.58	▲ 4.753	137.69	137.69	137.69	132.93
CI-POLAND	1,613.28	-3.71	▼ -62.213	1,613.28	1,613.28	1,613.28	1,675.49
CI-QATAR	926.30	-4.01	▼ -38.712	926.30	926.30	926.30	965.02
CI-RUSSIA	782.62	-1.06	▼ -8.368	782.62	782.62	782.62	790.99
CI-THAILAND FREE	502.54	-3.72	▼ -19.404	502.54	502.54	502.54	521.95
CI-TURKEY	415.38	-5.71	▼ -25.149	415.38	415.38	415.38	440.53
CI-TAIWAN	327.03	-6.29	▼ -21.963	327.03	327.03	327.03	348.99
CI-ISRAEL	361.12	12.78	▲ 40.914	361.12	361.12	361.12	320.20
CI-SOUTH AFRICA	1,339.42	-2.12	▼ -29.042	1,339.42	1,339.42	1,339.42	1,368.46

Commodities

Fetish market



Lome

A tourist holds horns at the fetish market in the heart of the rundown Akodessewa district of Lome, yesterday. The fetish market, where all manner of ailments are treated including malaria and typhoid fever to erectile dysfunction, asthma and tuberculosis, is famous across west Africa. AFP

Global Commodity Prices

Effective date: 5th Aug 2015

AGRO COMMODITIES

SOFTS			
COMMODITY	CURRENCY	LAST	NET CHNG
SUGAR NO5	USD	348.70	1.00
COFFEE	USD	162.30	-19.45
COCOA	USD	3,159.00	-6.00
RUBBER	JPY	187.00	2.00
FROZEN OJ CON1	USC	131.80	3.65
COTTON NO2	USC	65.01	-0.35
GRAINS			
CORN	USC	368.25	-0.50
MAIZE EUR	EUR	155.75	1.25
WHEAT	USC	494.00	0.50
ROUGH RICE	USD	11.45	0.00
OILSEEDS			
SOY BEANS	USC	980.00	4.00
SOY BEAN OIL	USC	30.03	0.20
CANOLA	CAD	506.90	0.90
PALM OIL	MYR	2,264.00	-8.00

METALS & MINING

SYMBOL	CURRENCY	LAST	NET CHG
100 OZ GOLD	USD	1,084.50	-6.20
SILVER	JPY	56.00	-3.00
HG COPPER	USC	2.36	0.02
PLATINUM	JPY	3,802.00	-5.00
ALUMINIUM	CNY	12,010.00	5.00
PALLADIUM	JPY	2,385.00	-85.00

OIL & GAS

SYMBOL	CURRENCY	LAST	NET CHG
LIGHT CRUDE	USD	45.94	0.20
NO 2 HT OIL	USD	1.55	0.00
BRENT CRUDE	USD	50.22	0.23
GAS OIL	USD	471.75	-1.50
NATURAL GAS	USD	2.82	0.01
KEROSINE	JPY	50,350.00	650.00

SOURCE: THOMSON REUTERS

Unit Trusts

Effective date: 4th Aug 2015

EFFECTIVE DATE: 4TH AUGUST 2015			
MONEY MARKET FUND	CURRENCY	DAILY YIELD	EFFECTIVE ANNUAL RATE
OLD MUTUAL	SH	7.43%	7.69%
BRITISH AMERICAN	SH	10.52%	11.09%
UAP	SH	10.53%	11.10%
GENCAP HELA	SH	11.63%	12.15%
PAN AFRICA PESA+	SH	14.29%	15.35%
AMANA	SH	10.59%	11.12%
MADISSON	SH	10.27%	10.79%
ICEA	SH	9.93%	10.44%
CIC	SH	11.94%	12.68%
CBA	SH	9.67%	10.08%
STANLIB	SH	10.27%	10.77%
NABO AFRICA	USD	96.21	96.21
FIXED INCOME FUND	CURRENCY	BUY	SELL
GENCAP HAZINA	SH	111.29	115.33
NABO AFRICA	USD	94.27	94.27
CIC	SH	9.55	9.79
BALANCED FUND			
OLD MUTUAL / TOBOA	SH	150.00	159.72
BRITISH AMERICAN	SH	181.69	187.00
GENCAP ENEZA	SH	116.85	121.09
UAP	SH	10.43	10.96
AMANA	SH	121.20	121.20
MADISSON	SH	58.95	62.20
PAN AFRICA CHAMA+	SH	10.21	10.53
STANLIB	SH	125.07	125.07
CIC	SH	13.04	13.66
ICEA	SH	128.88	135.66
NABO AFRICA	USD	103.39	103.39
EQUITY FUND			
OLD MUTUAL	SH	360.84	386.63
OLD MUTUAL EAST AFRICA FUND	SH	145.01	153.47
BRITISH AMERICAN	SH	187.05	193
CBA	SH	151.26	151.26
AMANA	SH	119.62	119.62
GENCAP HISA	SH	120.39	124.75
MADISSON	SH	44.40	47.14
ICEA	SH	135.13	142.25
UAP	SH	9.39	9.86
STANLIB	SH	172.06	172.06
CIC	SH	13.67	14.39
NABO AFRICA	USD	96.38	96.38
BOND FUND			
OLD MUTUAL BOND FUND	SH	97.08	99.39
BRITISH AMERICAN	SH	136.82	139.61
ICEA	SH	91.39	92.31
UAP	SH	11.15	11.15
PAN AFRICA PATA+	SH	9.61	9.91
STANLIB FUND B1	SH	98.17	98.17
STANLIB FUND A	SH	97.41	97.41
SHARIAH COMPLIANT			
GENCAP IMAN	SH	107.23	112.88

MARKET DATA

Asian stocks mixed on US rate talk, China fears

Asian markets were mixed yesterday, buoyed by a possible US interest rate hike even as China's ability to stem a recent market rout weighed on sentiment.

The dollar advanced against other major currencies after a US Federal Reserve official expressed support Tuesday for lifting interest rates at the central bank's September policy meeting.

Tokyo put on 0.23 per cent, Hong Kong added 0.13 per cent, Shanghai fell 0.26 per cent, Seoul was flat and Sydney shed 0.70 per cent.

Dealers were reacting to Federal Reserve Bank of Atlanta President Dennis Lockhart's statement that he supports lifting rates in September barring an unexpected stumble in the economy.

In Shanghai, investors took profits after strong gains the previous day sparked by new restrictions on short-selling.

The Shanghai and Shenzhen exchanges said investors who borrow shares must wait until the next day to repay the loans, instead of settling the same day as under previous rules.

Greater risk

Short-selling — a bet that the price of a stock will fall — requires investors to borrow the stocks they do not own to carry out the deal, so obliging them to maintain their positions overnight exposes them to greater risk.

Traders were also taking note of a International Monetary Fund declaration Tuesday that "significant work" needs to be done in reviewing the inclusion of China's currency in its basket of "special drawing rights" reserve currency.

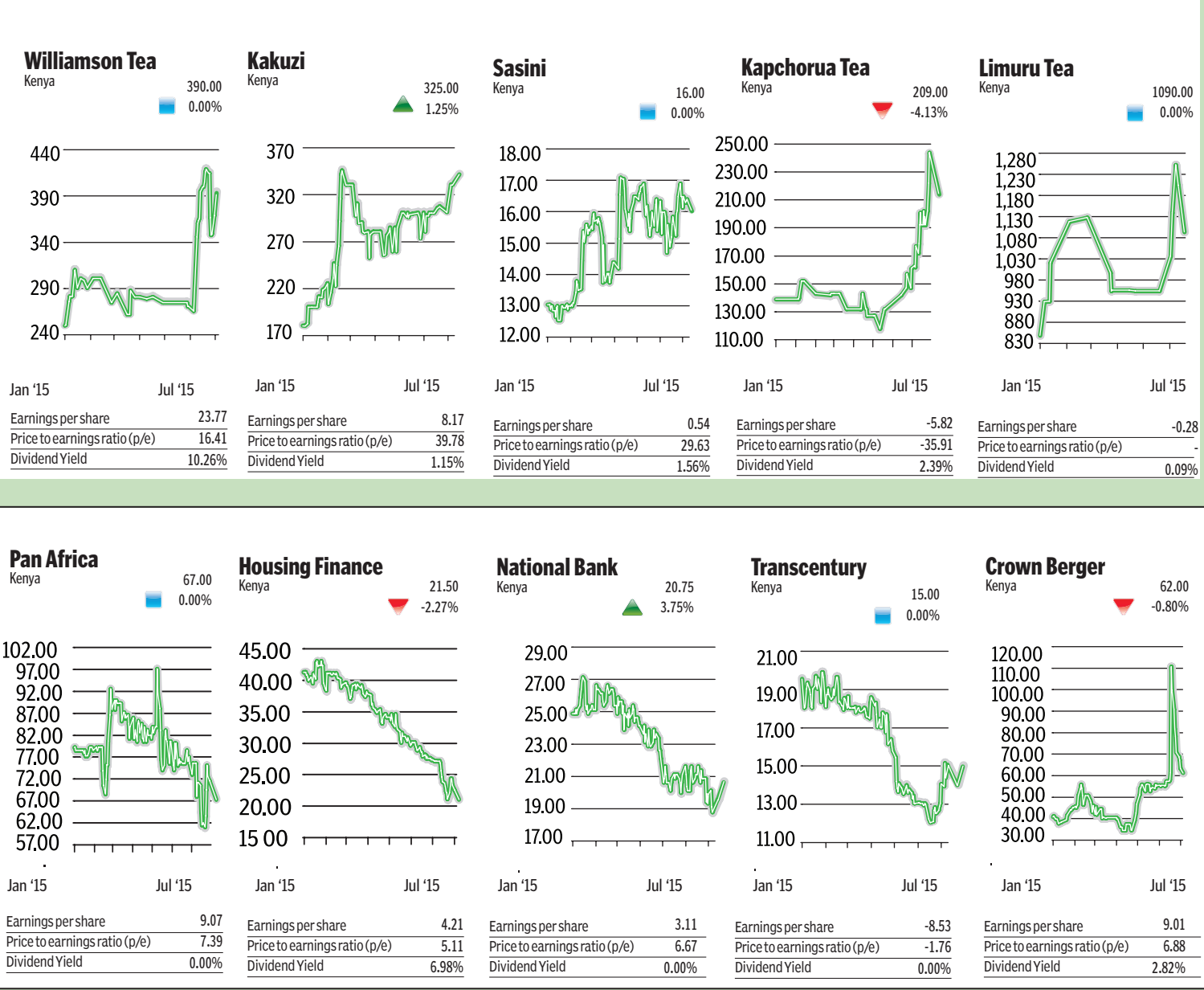
The Chinese government is seeking to expand use of the yuan, also known as the renminbi (RMB), by having it included in the SDR, an international reserve asset that currently is comprised by four currencies: the dollar, euro, pound and yen.

Tokyo ticked up after a brief slide in opening trade, rising on positive earnings reports and a weaker yen, but analysts advised caution.

"The overseas environment will continue to be a drag on the market," Hiroichi Nishi, a manager at SMBC Nikko Securities Inc. in Tokyo, told Bloomberg News. "Lockhart's comments made the market wary of rate hikes once again. Caution toward the Chinese economy continues to weigh on the market as well."

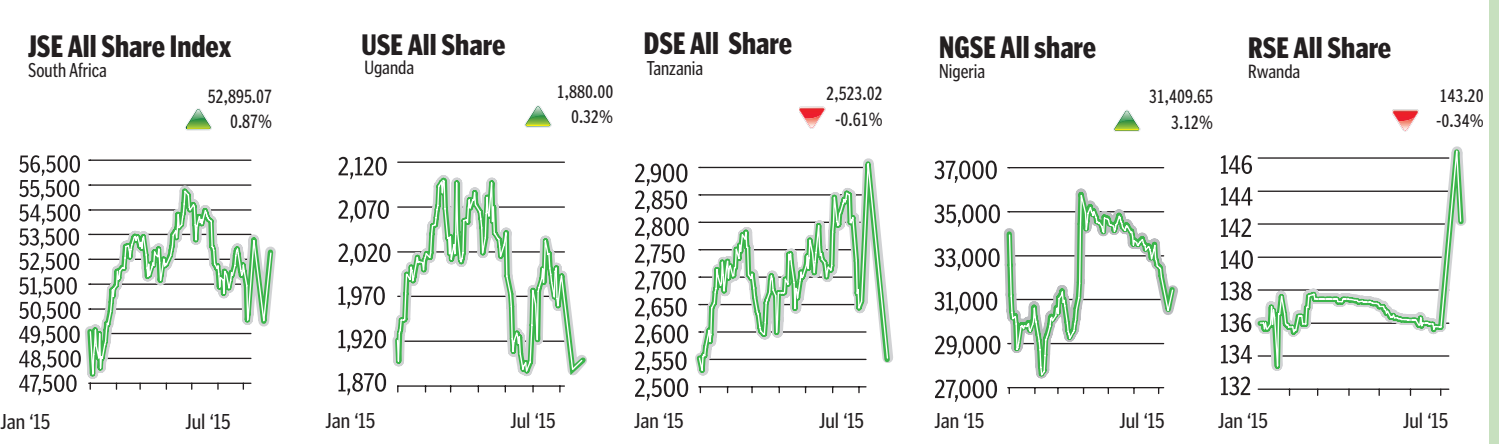
US stocks ended lower Tuesday following a mixed batch of earnings reports and a fall by Apple of 3.2 per cent, leaving it down more than 12 per cent since its July 21 earnings release.

WINNERS AND LOSERS - YTD

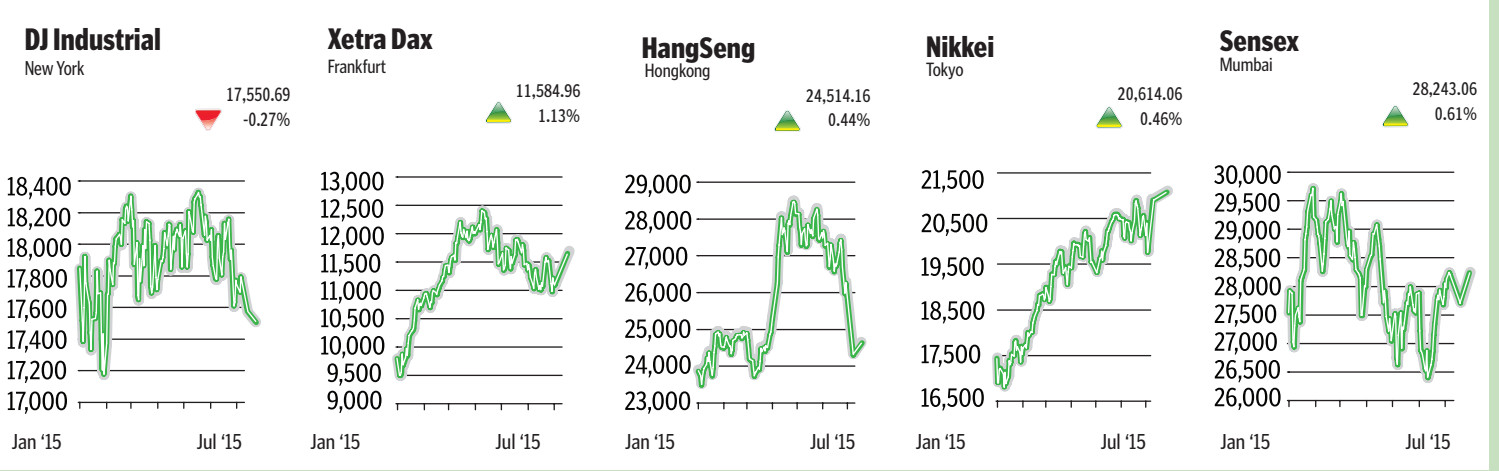


Tracking the markets: Benchmark Index (Latest Data)

Africa



World



MARKET DATA

Equities & Bonds

Share Price Performance Scorecard

SCORECARD AS AT 5TH AUGUST 2015								
NAME	PREVIOUS	CLOSE	% 1D	% 5D	% 1M	% 3M	% 6M	% 1Y
A BAUMANN	11.10	11.10	0.00	0.00	0.00	0.00	0.00	0.00
ATLAS DEVPNT & SPVRT SERV	9.50	9.50	0.00	0.00	-13.24	-11.21	-20.17	-
ATHI RIVER MINING	62.00	61.00	-1.61	-13.48	-18.67	-23.27	-26.95	-22.78
BAMBURI	152.00	154.00	1.32	1.32	-1.28	4.76	0.65	-11.49
BARCLAYS KEN	14.20	14.20	0.00	0.35	-6.89	-10.13	-14.97	-16.47
BAT KENYA	743.00	741.00	-0.27	-7.14	5.71	2.92	-17.67	6.62
BOC KENYA	133.00	133.00	0.00	0.00	-5.00	1.53	-13.64	-5.67
BRITISH AMERICAN	17.20	17.15	-0.29	-2.56	-14.25	-26.24	-42.35	-27.79
CAR & GENERAL	44.75	44.00	0.00	0.00	-4.79	-8.21	-16.36	-0.56
CARBACID INV	17.30	17.05	-1.45	4.28	-5.01	-14.75	-36.85	-36.26
CENTUM INV	50.00	50.50	1.00	-5.61	-20.47	-21.71	-21.09	2.54
CFC STANBIC BANK	97.00	95.50	-1.55	0.53	-10.75	-22.98	-24.80	-25.39
CIC INSURANCE	7.60	7.55	-0.66	7.86	-0.66	-17.93	-30.73	0.00
CO-OP BANK	20.25	19.65	-2.96	-4.15	-5.30	-9.66	-1.75	2.08
CROWN BERGER	62.50	62.00	-0.80	-2.36	-11.43	-46.09	-53.38	-37.69
DIAMOND KEN	205.00	204.00	-0.49	0.99	-9.33	-13.19	-17.74	-15.00
EA CABLES	15.55	15.85	1.93	1.60	-0.94	0.32	0.96	-3.06
EA PORT CEM	54.00	58.00	7.41	7.41	3.57	5.45	-3.33	-23.68
EAAGADS	32.50	32.75	0.77	-6.43	-11.49	-3.68	-24.28	-4.38
EA AFR BREW	295.00	295.00	0.00	2.08	1.72	-10.06	-5.45	-3.91
EQUITY BANK	38.75	39.25	1.29	-3.68	-13.26	-19.90	-26.64	-15.14
EVEREADY EA	3.75	3.70	-1.33	-2.63	-10.84	-7.50	-9.76	15.63
EXPRESS KEN	4.95	4.60	-7.07	-7.07	-16.36	-20.00	-26.98	-31.34
FLAME TREE HLDNGS	7.95	7.50	-5.66	-5.66	-11.24	-16.67	-7.98	-
G WILLIAMSON	390.00	390.00	0.00	-2.26	12.07	42.34	34.48	35.42
HUTCHINGS BIEMER	20.25	20.25	0.00	0.00	0.00	0.00	0.00	0.00
HOME AFRICA LIMITED	2.50	2.55	2.00	2.00	-12.07	-21.54	0.00	0.00
HOUSING FIN	22.00	21.50	-2.27	-10.42	-20.37	-35.34	-47.24	-52.22
I&M HOLDING	106.00	106.00	0.00	0.00	-9.40	-22.63	-14.52	0.00
JUBILEE HLDS	560.00	560.00	0.00	0.00	-0.88	-5.08	10.02	46.60
KAKUZI	321.00	325.00	1.25	0.00	5.86	10.17	60.10	87.86
KAPCHORUA	218.00	209.00	-4.13	-5.00	31.45	67.20	48.23	54.81
KEN ORCHARDS	100.00	100.00	0.00	0.00	0.00	-4.76	-9.09	875.61
KENGEN	8.30	8.40	1.20	-2.33	-7.69	-14.72	-13.85	-14.29
KENYA AIRWAYS	5.35	5.10	-4.67	-25.00	-30.14	-26.62	-53.21	-50.49
KENYA COM BK	47.00	46.00	-2.13	-10.68	-16.36	-25.81	-22.03	-21.37
KENOLKOBIL	8.35	8.50	1.80	5.59	0.59	-8.11	-13.27	3.66
KENYA POWER	15.80	16.05	1.58	-0.31	-11.33	-7.23	3.88	19.33
KENYA RE	16.35	16.50	0.92	0.61	-7.56	-3.51	-6.78	-8.33
KURWITU	1500.00	1500.00	0.00	0.00	0.00	0.00	0.00	-
LIBERTY HOLDINGS	21.00	21.25	1.19	-2.30	-14.14	-6.59	-12.37	18.06
LIMURU TEA	1090.00	1090.00	0.00	0.00	0.00	14.50	7.18	62.69
LONGHORN	6.85	7.00	2.19	7.69	-4.76	-8.50	-25.93	-58.46
MARSHALL	13.10	12.00	-8.40	-8.40	-6.25	0.00	7.14	33.33
MUMIAS SUGAR	1.90	2.00	5.26	5.26	-11.11	-2.44	-32.20	-18.37
NAIROBI SECURITIES	20.00	20.00	0.00	2.83	-1.23	2.30	0.50	-
NATION MEDIA	187.00	184.00	-1.60	-0.54	-8.46	-18.22	-31.60	-40.26
NATL BANK KEN	20.00	20.75	3.75	1.22	4.80	0.00	-20.95	-23.85
NIC BANK	48.25	49.00	1.55	2.62	-4.85	-16.95	-25.76	-19.67
OLYMPIA CAPITAL	4.85	4.85	0.00	-3.00	1.04	-10.19	-25.95	-1.02
PAN AFR INS	67.00	67.00	0.00	-2.90	-10.67	-44.63	-42.74	-48.06
REA VIPINGO	27.50	27.50	0.00	0.00	0.00	0.00	0.00	0.00
SAFARICOM	14.00	13.95	-0.36	-8.22	-14.68	-20.29	-4.12	10.71
SAMEER AFRICA	4.50	4.90	8.89	1.03	-3.92	-9.26	-22.22	-32.41
SASINI	16.00	16.00	0.00	-4.76	-2.74	-3.32	22.61	3.56
WPP SCANGROUP	38.00	36.25	-4.61	-5.23	-11.04	-17.61	-17.61	-22.87
STANDARD GRP	39.00	39.00	0.00	-0.64	0.00	11.43	0.00	22.83
STD CHART KEN	265.00	265.00	0.00	-6.36	-12.83	-19.45	-22.06	-14.24
TOTAL KENYA	20.75	20.50	-1.20	-1.20	-9.89	-16.33	-22.64	-10.87
TPS (EA)	32.50	33.00	1.54	-7.69	-0.75	-5.04	-11.41	-8.33
TRANSCENTURY	15.00	15.00	0.00	0.33	7.14	6.01	0.00	0.00
UCHUMI SUPER	6.70	6.55	-2.24	-3.68	-20.61	-36.71	-47.60	-47.39
UNGA GROUP	45.00	43.50	-3.33	-3.33	-7.45	-2.79	3.57	31.82

Corporate Bonds

AUGUST 5, 2015							
	BONDS LISTED AT THE NAIROBI SECURITIES EXCHANGE						
	ISSUE	MATURITY	ISSUED VALUE	COUPON	PREVIOUS	TOTAL VALUE	
	DATE	DATE	IN MILLIONS	(%)	PRICE (%)	TRADED(KSH)	
CENTUM BOND SENIOR UNSECURED FIXED RATE AND EQUITY LINKED NOTES							
CTNB.BD.18.09.17/13.50	26-SEP-12	18-SEP-17	2,917.10	13.5000	105.2550		
CTNB.BD.18.09.17/12.75	26-SEP-12	18-SEP-17	1,250.80	12.7500	99.9620		
CTNB.BD.08.06.20/13	15-JUN-15	8-JUN-20	3,899.22	13.0000			
CTNB.BD.08.06.20/12.5	15-JUN-15	8-JUN-20	2,100.77	12.5000			
CTNB.BD.08.06.20/12.5V	15-JUN-15	8-JUN-20	2,100.77				
CONSOLIDATED BANK OF KENYA LTD MEDIUM TERM NOTE PROGRAMME							
CON.BD-FXD(SN)/2012/7YR	30-JUL-12	24-JUL-19	1,480.60	13.2500	99.1677		
CON.BD-FXD(SBN)/2012/7YR	30-JUL-12	22-JUL-19	196.50	13.6000	100.0000		
CON.BD-FR(SN)/2012/7YR	30-JUL-12	22-JUL-19	1.00				
SHELTER AFRIQUE MEDIUM TERM NOTES							
FXD 2/2012/3YR 2ND TRANCHE	17-DEC-12	14-DEC-15	500.00	12.7500	100.7057		
FXD 1/13/05YR	30-SEP-13	24-SEP-18	4,239.70	12.7500	100.0000		
FR 1/13/05YR	30-SEP-13	24-SEP-18	760.30				
MRM							
FR (MRM) 2008/8YR	27-OCT-08	17-OCT-16	621.50		100.0000		
FXD (MRM) 2008/8YR	27-OCT-08	17-OCT-16	1,378.50	13.0000	100.0000		
CFC STANBIC BANK SENIOR & SUBORDINATED BOND ISSUE							
FR (CFC STANBIC) 2009/7YR	7-JUL-09	7-JUL-16	97.91		100.0000		
FXD (CFC STANBIC) 2009/7YR	7-JUL-09	7-JUL-16	2,402.09	12.5000	100.0000		
KENGEN PUBLIC INFRASTRUCTURE BOND OFFER 2019							
FXIB 1/2009/10YR	2-NOV-09	31-OCT-19	14,062.00	12.5000	101.8271		
SAFARICOM LTD DOMESTIC MEDIUM TERM NOTE							
FR2 (SAFARICOM LTD) 2009/5YR	20-DEC-10	20-DEC-15	200.00		93.8370		
FXD2 (SAFARICOM LTD) 2009/5YR	20-DEC-10	20-DEC-15	4,287.00	8.0000	103.0000		
HOUSING FINANCE MEDIUM TERM NOTE							
FXD (HFCK) 02/2012/7YR 2ND TRANCHE	22-OCT-12	14-OCT-19	2,969.10	13.0000	100.0000		
FR (HFCK) 2010/7YR	26-OCT-10	2-OCT-17	1,166.50				
FXD (HFCK) 2010/7YR	26-OCT-10	2-OCT-17	5,864.40	8.5000	94.6653		
I&M MEDIUM TERM NOTE							
FXD I&M-01/13/5.25	13-DEC-13	8-MAR-19	3,429.00	12.8000	100.0000		
FRN I&M-01/13/5.25	13-DEC-13	8-MAR-19	226.00				
BRITAM MEDIUM TERM NOTE							
BRTB.BD.22/07/19-0037-13	22-JUL-14	15-JUL-19	6,000.00	13.0000	99.9562		
UAP HOLDINGS MEDIUM TERM NOTE							
UAP.BD.22.07.2019	28-JUL-14	22-JUL-19	2,000.00	13.0000	99.9807		
NIC MEDIUM TERM NOTE							
NIC.BD.09/09/19-0039-12.5	8-SEP-14	9-SEP-19	5,514.50	12.5000	97.8453		
CIC INSURANCE GROUP LTD MEDIUM TERM NOTE							
CIC.BD.22.07.2019	8-OCT-14	2-OCT-19	5,000.00	13.0000	102.4933		
CFC STANBIC MULTICURRENCY MEDIUM TERM NOTE							
CFCB.BD.08/12/21-0042-12.95	15-DEC-14	8-DEC-21	5,080.00	12.9500	102.0180		
CBA FIXED MEDIUM TERM NOTE							
CBAB.BD.14/12/20-0041-12.75	22-DEC-14	14-DEC-20	7,000.00	12.7500	100.9239		
EABL FIXED MEDIUM TERM NOTE							
EABB.BD.19/03/18-0043-12.25	23-MAR-15	19-MAR-18	9,047.35	12.2500	100.2003		
CHASE BANK FIXED MEDIUM TERM NOTE							
CHBD.BD.02/06/22-0044-13.5	10-JUN-15	2-JUN-22	4,822.40	13.2500	99.9922		

Kenya Treasury and Infrastructure Bonds

BONDS LISTED AT THE NAIROBI SECURITIES EXCHANGE					AUGUST 5, 2015		
	ISSUE	MATURITY	ISSUED VALUE	COUPON	TRADED	PREVIOUS	TOTAL VALUE
	DATE	DATE	IN MILLIONS	(%)	YIELD (%)	PRICE(%)	TRADED(KSH)
TWO YEAR BONDS							
FXD 3/2013/2YR	26-AUG-13	24-AUG-15	17,927.40	12.9390		100.8908	
FXD 4/2013/2YR	24-DEC-13	21-DEC-15	25,251.00	11.5530		100.6244	
FXD 1/2014/2YR	24-MAR-14	21-MAR-16	20,000.00	10.8030		100.0237	
FXD 2/2014/2YR	26-MAY-14	23-MAY-16	20,130.15	10.7930		99.9909	
FXD 3/2014/2YR	25-MAY-15	22-MAY-17	20,223.35	10.8900		97.9678	
FXD 1/2015/2YR	23-JAN-15	20-FEB-17	23,592.55	11.4700		101.0594	
FXD 2/2015/2YR	29-JUN-15	26-JUN-17	7,194.56	12.6290		100.3199	
FIVE YEAR BONDS							
FXD 2/2010/5YR	30-NOV-10	23-NOV-15	14,973.10	6.6710		98.3936	
FXD 1/2011/5YR	31-JAN-11	25-JAN-16	22,083.10	7.6360		98.1667	
FXD 1/2012/5YR	28-MAY-12	22-MAY-17	31,079.55	11.8550		100.9859	
FXD 1/2013/5YR	29-APR-13	23-APR-18	20,240.75	12.8920		102.9309	
FXD 2/2013/5YR	1-JUL-13	25-JUN-18	26,340.05	11.3050		100.3825	
FXD 3/2013/5YR	25-NOV-13	19-NOV-18	14,937.80	11.9520		100.4719	
FXD 1/2014/ 5YR	28-APR-14	22-APR-19	25,540.95	10.8700		96.9751	
FXD 2/2014/ 5YR	23-JUN-14	17-JUN-19	16,418.25	11.9340		100.1528	
FXD 1/2015/ 5YR	29-JUN-15	22-JUN-20	11,996.96	13.1930		96.7463	
TEN YEAR BONDS							
FXD 1/2006/10YR	27-MAR-06	14-MAR-16	3,451.05	14.0000		102.1563	
FXD 2/2006/10YR	29-MAY-06	16-MAY-16	5,028.10	14.0000		102.8875	
FXD 1/2007/10YR	29-OCT-07	16-OCT-17	9,308.80	10.7500		99.3880	
FXD 1/2008/10YR	29-OCT-07	16-OCT-17	2,992.75	10.7500		99.3434	
FXD 2/2008/10YR	28-JUL-08	16-JUL-18	13,504.70	10.7500		99.3210	
FXD 3/2008/10YR	29-SEP-08	28-SEP-18	4,151.60	10.7500		99.2873	
FXD 1/2009/10YR	27-SEP-09	15-APR-19	4,966.85	10.7500		96.5948	
FXD 1/2010/10YR	26-APR-10	13-APR-20	19,394.15	8.7900		87.8868	
FXD 2/2010/10YR	1-NOV-10	19-OCT-20	18,849.90	9.3070		90.0522	
FXD 1/2012/10YR	25-JUN-12	13-JUN-22	16,803.75	12.7050		100.5957	
FXD 1/2013/10YR	1-JUL-13	19-JUN-23	12,643.05	12.3710		98.3747	
FXD 1/2014/10YR	25-MAY-15	26-MAY-25	5,063.88	12.1800		97.8447	
ELEVEN YEAR BONDS							
FXD1/2006/11YR	25-SEP-06	11-SEP-17	4,031.40	13.7500		105.0256	
TWELVE YEAR BONDS							
FXD1/2006/12YR	28-AUG-06	13-AUG-18	3,900.95	14.0000		105.2139	
FXD1/2007/12YR	28-MAY-07	13-MAY-19	4,864.60	13.0000		105.6743	
FIFTEEN YEAR BONDS							
FXD1/2007/15YR	26-MAR-07	7-MAR-22	3,654.60	14.5000		109.0397	
FXD2/2007/15YR	25-JUN-07	6-JUN-22	7,236.95	13.5000		99.3108	
FXD3/2007/15YR	26-NOV-07	7-NOV-22	17,568.00	12.5000		99.4391	
FXD1/2008/15YR	31-MAR-08	13-MAR-23	7,830.90	12.5000		100.6070	
FXD1/2009/15YR	26-OCT-09	7-OCT-24	9,420.45	12.5000		98.3299	
FXD1/2010/15YR	29-MAR-10	10-MAR-25	20,823.73	10.2500		88.1557	
FXD2/2010/15YR	25-APR-11	8-DEC-25	13,513.10	9.0000		79.3778	
FXD1/2012/15YR	24-SEP-12	6-SEP-27	21,089.45	11.0000		89.6086	
FXD1/2013/15YR	25-FEB-13	7-FEB-28	40,886.33	11.2500		90.0657	
FXD2/2013/15YR	29-APR-13	10-APR-28	17,385.85	12.0000		95.8528	
TWENTY YEAR BOND							
FXD1/2008/20YR	30-JUN-08	5-JUN-28	20,360.95	13.7500		106.2954	
FXD1/2011/20YR	30-MAY-11	5-MAY-31	9,365.80	10.0000		79.8372	
FXD1/2012/20YR	26-NOV-12	1-NOV-32	43,082.72	12.0000		91.6965	
TWENTY FIVE YEAR BOND							
FXD1/2010/25YR	28-JUN-10	28-MAY-35	20,192.50	11.2500		82.0191	
THIRTY YEAR BOND							
SDB 1/2011/30YR	28-FEB-11	21-JAN-41	23,888.95	12.0000		87.0249	
INFRASTRUCTURE BONDS							
IFB 1/2009/12YR	23-FEB-09	8-FEB-21	19,726.85	12.5000		105.1593	
IFB 2/2009/12YR	7-DEC-09	22-NOV-21	18,897.65	12.0000		102.4081	
IFB 1/2010/8YR	1-MAR-10	19-FEB-18	15,908.05	9.7500		98.5524	
IFB 2/2010/9YR	31-AUG-10	19-SEP-19	32,871.55	6.0000		83.9920	
IFB 1/2011/12YR	3-OCT-11	18-SEP-23	43,447.35	12.0000		100.7940	
IFB 1/2013/12YR	30-SEP-13	15-SEP-25	38,841.68	11.0000		94.3676	
IFB 1/2014/12YR	27-OCT-14	12-OCT-26	35,060.55	11.0000		86.4538	
IFB 1/2015/12YR	30-MAR-15	15-MAR-27	25,695.35	11.0000	12.0000	82.9710	150,000,000
IFB 1/2015/12YR	30-MAR-15	15-MAR-27	25,695.35	11.0000	14.5000	82.9710	700,000,000
IFB 1/2015/12YR	30-MAR-15	15-MAR-27	25,695.35	11.0000	14.7500	82.9710	800,000,000

MARKET DATA

Global Markets & Currencies																	
Currencies				Global Indexes						FTSE 100							
Kenya Shilling																	
CURRENCY	BUY	SELL	MEAN	DAILY		YTD		52 WEEK		3-YR		NAME	LAST	CLOSE	NET.CHNG	PCT.CHNG	
US DOLLAR	101.02	101.21	101.11	INDEX (REGION/COUNTRY)	CLOSE	CHG	% CHG	% CHG	HIGH	LOW	% CHG	% CHG	ANGLO AMERICAN/D	789.71	784.50	5.10	0.65%
STG POUND	156.93	157.28	157.10	GLOBAL									ASSOC.BR.FOODS/D	3212.00	3240.00	-28.00	-0.86%
EURO	109.73	109.96	109.85	THE GLOBAL DOW (WORLD)	2,529.41	-6.02	-0.24	1.1	2,639.52	2,378.15	-0.9	11.1	ADMIRAL GROUP/D	1510.00	1505.00	5.00	0.33%
SA RAND	791	794	792	THE GLOBAL DOW EURO (WORLD)	2,172.98	-2.79	-0.13	11.6	2,305.98	1,752.10	20.8	15.6	ABDN.ASSET.MAN/D	357.33	357.50	-0.10	-0.03%
KES / USHS	34.29	34.45	34.37	DJ GLOBAL INDEX (WORLD)	327.25	-0.22	-0.07	2	341.62	301.71	1.3	10.5	AGGREKO/D	1163.00	1169.00	-6.00	-0.51%
KES / TSHS	20.83	20.97	20.90	DJ GLOBAL EX U.S. (WORLD)	229.83	0.16	0.07	2.1	248.65	217.05	-5.5	6.6	ANTOFAGASTA/D	581.00	574.50	6.50	1.13%
KES / RWF	6.77	6.93	6.85	ASIA PACIFIC									ARM HOLDINGS/D	945.50	948.50	-3.00	-0.32%
KES / BIF	15.25	15.37	15.31	DJ ASIA-PACIFIC TSM (ASIA-PACIFIC)	1,471.56	5.84	0.4	3.2	1,619.39	1,384.31	-2.9	7.3	ASHMORE/D	261.00	261.90	-0.90	-0.34%
AE DIRHAM	27.50	27.55	27.53	ALL ORDINARIES (AUSTRALIA)	5,681.90	17.6	0.31	5.4	5,954.80	5,131.00	3.1	10.2	AVIVA PLC/D	524.50	524.50	0.00	0.00%
CAN \$	76.54	76.71	76.63	S & P/ASX 200 (AUSTRALIA)	5,697.90	18.6	0.33	5.3	5,982.70	5,152.30	3.2	10.5	ASTRAZENECA/D	4387.00	4385.00	2.00	0.05%
FRANC	103.27	103.50	103.39	DOW JONES CHINA 88 (CHINA)	295.53	6.61	2.29	-0.2	408.69	185.09	53.4	14.6	BAE SYSTEMS/D	472.40	474.00	-1.60	-0.34%
JPY (100)	81.21	81.38	81.30	SHANGHAI COMPOSITE (CHINA)	3,756.54	133.64	3.69	16.1	5,166.35	2,187.67	69.2	20.8	BARCLAYS/D	282.53	282.15	0.35	0.12%
SW KRONER	11.58	11.60	11.59	HANG SENG (HONG KONG)	24,406.12	-5.3	-0.02	3.4	28,442.75	22,585.84	-1	7.5	BRIT AM TOBACC/D	3818.50	3821.00	-2.50	-0.07%
NOR KRONER	12.17	12.20	12.19	S & P BSE SENSEX (INDIA)	28,071.93	-115.13	-0.41	2.1	29,681.77	25,329.14	8.4	17.7	BG GROUP/D	1089.00	1088.50	0.50	0.05%
DAN KRONER	14.71	14.74	14.72	JAKARTA COMPOSITE (INDONESIA)	4,781.09	-19.09	-0.4	-8.5	5,523.29	4,712.49	-6.4	5.3	BR LAND CO/D	850.00	850.50	-0.50	-0.06%
IND RUPEE	1.58	1.59	1.58	NIKKEI 300 (JAPAN)	336.77	-0.16	-0.05	18.4	340.64	238.07	31.8	31.7	BHP BILLITON/D	1187.50	1159.00	28.50	2.46%
HONGKONG DOLLAR	13.03	13.05	13.04	NIKKEI STOCK AVG (JAPAN)	20,520.36	-27.75	-0.14	17.6	20,868.03	14,532.51	33.9	33.9	BUNZL/D	1828.00	1836.00	-8.00	-0.44%
SINGAPORE DOLLAR	72.89	73.04	72.97	TOPIX INDEX (JAPAN)	1,659.83	0.23	0.01	17.9	1,679.89	1,177.22	31.4	31.9	BP/D	392.20	390.40	1.80	0.46%
SAUDI RIYAL	26.94	26.99	26.96	KUALA LUMPUR COMPOSITE (MALAYSIA)	1,723.73	-20.46	-1.17	-2.1	1,878.89	1,673.94	-8.2	1.8	BURBERRY GRP/D	1605.00	1595.00	10.00	0.63%
CHINESE YUAN	16.26	16.30	16.28	NZSX-50 (NEW ZEALAND)	5,933.75	-24.1	-0.4	6.6	5,957.85	5,049.63	16.3	18.7	BT GROUP/D	466.85	469.50	-2.65	-0.56%
AUSTRALIAN \$	74.26	74.45	74.35	KSE 100 (PAKISTAN)	35,921.71	97.15	0.27	11.8	36,056.68	27,774.43	21	34.8	CARNIVAL/D	3471.80	3489.00	-18.00	-0.52%
SOURCE CBK				PSEI (PHILIPPINES)	7,598.29	25.03	0.33	5.1	8,127.48	6,880.34	9	12.9	CENTRICA/D	268.60	269.40	-0.80	-0.30%
US Dollar				STRAITS TIMES (SINGAPORE)	3,191.04	-1.75	-0.05	-5.2	3,539.95	3,154.21	-4.1	1.5	COMPASS GROUP/D	1028.00	1029.00	-1.00	-0.10%
BACKGROUND	BID	ASK		KOSPI (SOUTH KOREA)	2,027.99	19.5	0.97	5.9	2,173.41	1,882.45	-1.9	3.1	CAPITA PLC/D	1299.00	1312.00	-13.00	-0.99%
EURO	1.09	1.09		COLOMBO STOCK EXCHANGE (SRI LANKA)	7,310.05	-26.54	-0.36	0.2	7,605.79	6,782.43	7.3	14	CRODA INTL/D	3085.00	3079.00	6.00	0.19%
JAPANESE YEN	124.36	124.38		WEIGHTED (TAIWAN)	8,510.86	-13.55	-0.16	-8.6	9,973.12	8,510.86	-6.9	5.6	CRH/D	1968.68	1935.00	29.00	1.50%
BRITISH POUND	1.56	1.56		SET (THAILAND)	1,432.16	-9.88	-0.69	-4.4	1,615.89	1,408.07	-6.3	6.1	DIAGEO/D	1800.00	1790.00	10.00	0.56%
SWISS FRANC	0.98	0.98		EUROPE									MAN GROUP/D	171.64	172.60	-0.90	-0.52%
AUSTRALIAN DOLLAR	0.74	0.74		STOXX EUROPE 600 (EUROPE)	398.75	-0.69	-0.17	16.4	414.06	310.03	20.1	14.5	EVRAZ PLC/D	102.20	101.20	1.00	0.99%
SWEDISH KRONA	8.72	8.72		STOXX EUROPE 50 (EUROPE)	3,448.82	-7.47	-0.22	14.8	3,591.47	2,781.33	16.8	10.9	EXPERIAN/D	1200.75	1203.00	-3.00	-0.25%
CANADIAN DOLLAR	1.32	1.32		EURO STOXX 50 (EURO ZONE)	3,619.31	-16.09	-0.44	15	3,828.78	2,874.65	17.8	15.1	FRESNILLO/D	646.50	645.00	1.50	0.23%
CHINESE YUAN	6.21	6.21		EURO STOXX (EURO ZONE)	373.94	-0.86	-0.23	17	392.35	288.41	20.8	16.6	G4S/D	276.30	277.10	-0.80	-0.29%
NORWEGIAN KRONE	8.26	8.28		ATX (AUSTRIA)	2,489.76	-9.68	-0.39	15.3	2,681.44	2,032.13	10.4	7.4	GKN/D	322.30	321.70	0.60	0.19%
BOSNIAN MARK	1.77	1.82		BEL-20 (BELGIUM)	3,801.21	1.87	0.05	15.7	3,905.71	2,887.73	23.9	18.2	GLENCORE/D	203.95	200.15	3.80	1.90%
DANISH KRONE	6.87	6.87		PX 50 (CZECH REPUBLIC)	1,036.80	-4.22	-0.41	9.5	1,058.40	901.30	8.7	4.9	GLAXOSMITHKLIN/D	1402.00	1401.00	1.00	0.07%
RUSSIA ROUBLE	62.94	62.98		OMX COPENHAGEN (DENMARK)	915.45	-1.81	-0.2	35.6	921.05	611.68	37.6	27.4	HAMMERSON/D	670.00	670.00	0.00	0.00%
TURKISH LIRA	2.79	2.79		OMX HELSINKI (FINLAND)	8,711.42	23.08	0.27	12.3	9,374.42	7,010.83	16	18.4	HARGREAVES LS/D	1192.76	1187.00	6.00	0.51%
ICELAND KRONA	135.06	135.36		CAC 40 (FRANCE)	5,112.14	-8.38	-0.16	19.6	5,268.91	3,918.62	20.8	14.9	HSBC HOLDINGS/D	588.50	582.20	6.30	1.08%
INDIAN RUPEE	63.82	63.83		DAX (GERMANY)	11,456.07	12.35	0.11	16.8	12,374.73	8,571.95	24.7	18.6	ICAP PLC/D	525.50	523.50	2.00	0.38%
POLISH ZLOTY	3.83	3.84		BUX (HUNGARY)	22,553.44	-62.43	-0.28	35.6	22,850.53	15,686.69	27.8	8.5	IAG/D	551.00	545.50	5.50	1.01%
CZECH KORUNA	24.87	24.92		FTSE MIB (ITALY)	23,473.25	-241.13	-1.02	23.5	24,031.19	18,078.97	17.1	18.4	INTERCONT HOTE/D	2663.00	2678.00	-15.00	-0.56%
HUNGARIAN FORINT	284.69	285.09		AEX (NETHERLANDS)	500.02	-0.41	-0.08	17.8	509.24	376.27	25.5	14.8	IMI PLC/D	1075.00	1079.00	-5.00	-0.46%
UKRAINE HRYVNIA	21.50	21.70		ALL-SHARES (NORWAY)	681.97	-0.85	-0.12	10	711.22	575.27	0.3	12.6	IMPERIAL TOBAC/D	3375.00	3392.00	-17.00	-0.50%
ISRAEL SHEKEL	3.80	3.81		WIG (POLAND)	52,941.88	133.7	0.25	3	57,379.45	49,593.68	4.1	9.3	INTERTEK GROUP/D	2711.00	2713.00	-2.00	-0.07%
ALBANIAN LEK	128.36	128.71		PSI 20 (PORTUGAL)	5,710.92	-35.59	-0.62	19	6,324.88	4,606.25	-1.8	7.2	ITV/D	277.80	278.70	-0.90	-0.32%
BULGARIAN LEV	1.80	1.80		RTS INDEX (RUSSIA)	837.43	2.54	0.3	5.9	1,275.60	629.15	-29.7	-15.7	JOHNSON MATTHE/D	2914.71	2912.00	3.00	0.10%
SERBIAN DINAR	59.99	60.19		IBEX 35 (SPAIN)	11,150.50	-115.4	-1.02	8.5	11,866.40	9,669.70	7.7	18.2	KAZ MINERALS/D	153.70	154.60	-1.10	-0.71%
CYPRUS POUND	0.40	0.40		SX ALL SHARE (SWEDEN)	529.67	-1.72	-0.32	11.8	564.90	405.51	19.9	16.8	KINGFISHER/D	367.30	365.20	2.10	0.58%
ESTONIAN KROON	11.70	11.71		SWISS MARKET (SWITZERLAND)	9,480.20	11.23	0.12	5.5	9,482.62	7,899.59	13.6	13.6	LAND SECS GROU/D	1308.00	1312.00	-4.00	-0.30%
GEORGIAN LARI	2.28	2.30		BIST 100 (TURKEY)	78,234.86	70.77	0.09	-8.7	91,412.94	72,943.50	-3	6.2	LEGAL & GENERA/D	268.90	263.40	5.50	2.09%
THAI BAHT	35.13	35.15		FTSE 100 (U.K.)	6,686.57	-2.05	-0.03	1.8	7,104.00	6,182.70	0.1	4.9	LLOYDS BNK GRP/D	82.20	82.47	-0.27	-0.33%
GIBRALTAR POUND	1.56	1.56		FTSE 250 (U.K.)	17,734.43	64.32	0.36	10.3	18,263.46	14,426.74	15.5	16.2	MEGGITT PLC/D	490.37	501.00	-10.10	-2.02%
CROATIAN KUNA	6.97	6.98		AMERICAS									MARKS & SP/D	545.19	544.00	1.00	0.18%
KAZAKHSTAN TENGE	187.65	187.68		DJ AMERICAS (AMERICAS)	509.03	-0.96	-0.19	0.4	524.44	464.33	5	12.5	MORRISON SUPMK/D	182.60	180.90	1.70	0.94%
LITHUANIA LITAS	2.85	2.85		MERVAL (ARGENTINA)	10,808.51	-90.93	-0.83	26	12,593.07	7,581.72	34	65.2	NATIONAL GRID/D	853.40	852.60	0.80	0.09%
LATVIAN LATS	0.51	0.51		SAO PAULO BOVESPA (BRAZIL)	50,058.49	-79.56	-0.16	0.1	61,895.98	46,907.68	-10.9	-4.4	NEXT/D	7983.25	7985.00	-5.00	-0.06%
MOLDOVAN LEU	19.00	19.15		S & P/TSX COMP (CANADA)	14,491.05	22.61	0.16	-1	15,657.63	13,705.14	-4.6	7.5	OLD MUTUAL/D	219.10	219.20	-0.10	-0.05%
MACEDONIA DENAR	56.47	56.84		SANTIAGO IPSA (CHILE)	3,092.53	11	0.36	-2.3	3,377.92	3,018.91	-4.9	-9.7	PETROFAC/D	848.00	849.50	-1.50	-0.18%
MALTESE LIRA	3.41	3.42		IPC ALL-SHARE (MEXICO)	45,177.98	274.03	0.61	4.7	46,357.24	40,225.08	1.6	3.3	POLYMETAL INT/D	428.00	427.10	0.90	0.21%
ROMANIAN LEU	4.06	4.06		CARACAS GENERAL (VENEZUELA)	15,284.42	-296.05	-1.9	296.1	15,580.47	2,139.62	600.3	295.5	PRUDENTIAL/D	1522.00	1507.00	15.00	1.00%
SLOVAK KORUNA	21.55	21.60		SOURCE: WSJ MARKETS									PEARSON/D	1199.00	1194.00	5.00	0.42%
SERBIAN DINAR	110.49	110.86											RECKIT BNCSR G/D	6230.00	6217.00	13.00	0.21%
ARMENIAN DRAM	476.40	479.40											ROYAL BANK SCO/D	344.95	339.00	6.00	1.77%
UAE DIRHAM	3.67	3.67											RDS 'A/D	1839.00	1830.50	8.50	0.46%
ANGOLAN KWANZA	125.15	126.40											RELX/D	1128.00	1132.00	-4.00	-0.35%
BURUNDI FRANC	1,563.97	1,583.97											ROYAL DTCH SHL/D	1850.19	1845.00	5.50	0.30%
BOTSWANA PULA	0.10	0.10											REXAM/D	559.00	558.00	1.00	0.18%
CONGO FRANC	915.00	935.00											RIO TINTO/D	2531.00	2470.50	60.50	2.45%
CAPE VERDE ESCUDO	100.50	101.60											ROLLS ROYCE PL/D	810.34	824.00	-13.50	-1.64%
DIJIBOUTI FRANC	177.00	178.00											RANDGOLD RES./D	3807.00	3807.00	0.00	0.00%
ALGERIAN DINAR	99.30	99.90											RSA INSURANCE G/D				

LIFE

MANAGEMENT



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EDUCATION Many local universities require a student to write a thesis or project but hold no meaningful criteria on quality

Why Kenya ranks low on quality of academic research



BUSINESS TALK

SCOTT BELLOWES

Ogenda endeavoured to undertake his MBA studies at one of Kenya's leading universities. He carefully selected a programme with an appealing array of classes that fit his interests. He then proceeded with his coursework and enjoyed the classroom learning. Finally, Ogenda entered the research phase of his MBA. He conducted research, questioning whether customer service influences bank client acquisition. He received an A on his research project along with glowing reviews from his supervisor.

Bolstered by the positive feedback, Ogenda decided to apply for his PhD from one of Asia's leading institutions of higher learning, the National University of Singapore. He sent his MBA thesis along with his application. Unfortunately, Ogenda received an unfavourable response because his prior research did not meet international standards for academic rigour.

What should you do to avoid a similar trap that Ogenda found himself in?

Unfortunately, East Africa and Kenya specifically suffers from a lack of research quality that permeates most institutions. Students take research methods courses and think they can then research on an international scale. However, most research courses focus on

definitions, margins, word limits, citation styles and what a research project should look like instead of how to design a research project with proper content.

We possess a mismatch between Kenya's numerous bright students and our low academic research excellence. So while Kenya retains high literacy rates and impressive university completion statistics, we rank frightfully low on quality of research out-

put worthy of international acclaim and publication.

According to London-based The Times World University Rankings, 15 of the top 20 universities in the world hail from the US. Interestingly, American institutions do not require master's theses for most graduate programmes. Students, especially in professional disciplines, may complete purely taught programmes.

However, due to the Commission for University Education's forced standardisation across universities, Kenyans desiring master's degrees must complete a research-based thesis even for professional courses that does not relate to their later employability.

Unfortunately, requiring a student to conduct research but holding no meaningful criteria on the quality of the research is akin to testing whether a chef can slaughter a chicken but with no consideration as to whether the chef sickens consumers who eat his poorly prepared meal.

Many students pursue non-academic topics and try mental gymnastics to try and fit them into a research project.

Thousands of Kenyan graduate students ask simple yes or no questions with answers already found hundreds if not thousands of times in literature. The same students also possess little or no concept of testing a theory or contributing to a body of knowledge by refining a theory. Ogenda's topic, for example, seems so obvious and devoid of any academic theory that it fits more in a newspaper expose rather than a rigorous research platform.

We cannot blame Kenyan students since proper research conceptualisation exercises do not exist in most classes. Also, many faculty in Kenyan universities only publish questionable-quality research that does not stand up to international standards. Even writing a non-research case study, a shortened training manual, or an opinion piece may all receive publication in some Kenyan peer-reviewed academic journals and qualify



A notice at a local university advertising term paper and project proposal writing. FILE

under Commission for University Education criteria. Observers see that the research gap exists as systemic that necessitates a total reboot.

Further, most Kenyan universities do not run anti-plagiarism checks on research projects, utilising powerful available industry software. External investigators find rampant copying and cases where others are paid to write one's research project, even among doctoral theses.

Plagiarism software

The situation is so serious that some top Kenyan universities even run plagiarism software on PhD holders seeking faculty job placements and find that many professors seeking employment plagiarised their doctoral thesis and many of their publications. Similarly, they have to drill lecturers on the content of their doctoral theses to see if they were the actual authors. Often the investigations uncover dishonesty in the industry.

Many students, confused by the lack of clarity in research methods courses and untrained supervisors, then produce low quality research.

But together we can change the system. Despite setbacks in many university settings,

Kenya holds some phenomenal centres of research excellence that rival any other nation. The challenge we face entails raising the level of research rigour across the entire sector. Kenya has the brains and the will; now Kenya needs a way.

So instead of gauging the success of our universities based on preposterous non-credible websites that produce laughable ratings, *Business Talk* embarks on a multi-part series to empower *Business Daily* readers – from university lecturers to doctoral researchers, graduate degree students and undergraduate learners – on how to design research projects that may propel Kenya forward and set us up to compete on a global scale. Simple tools, conceptualisations and literature review techniques may dramatically boost research output and lift our rigour.

Submit your research successes, challenges and ideas for the upcoming series through #KenyaResearch on Twitter.

Professor Scott serves as the director of the New Economy Venture Accelerator (NEVA) at USIU's Chandaria School of Business, www.ScottProfessor.com, and may be reached on: info@scottprofessor.com or follow on Twitter: @ScottProfessor

INFLUENCE Brand yourself, refine your skill sets and expand your professional connections consistently

Steps to become a thought leader in your industry

Becoming a thought leader, an individual who drives innovation and new ideas in a given industry, is an objectively valuable path for any professional. Thought leaders are popular, well respected and connected enough to drive real value to their respective businesses.

You can't go to school to become a "thought leader," nor can you complete a one-off programme and earn some kind of certificate or formal recognition as such. Instead, you must implement a series of ongoing personal branding strategies, refine your skill sets and expand your professional connections consistently. Introduce new ideas on a near-constant basis, and make sure your name gets recognised by people both in and out of the industry.

Establish a personal brand.

Personal brands rest at the heart of many marketing strategies, and thought leadership is a natural extension of the ability to build a reputation. Start out by enhancing or restructuring your existing social media profiles, especially LinkedIn and Twitter, with detailed descriptions of your credentials and career accomplishments. You'll be using these as foundations of your strategy and key channels for social networking.

Then, establish your own blog or blog on your company's site and start writing on a regular basis. You'll want to establish a nice archive of at least 30 posts before you go any further, and make sure you're updating your blog at least once a week. Syndicate your blogs on your social networks and get involved in groups and chats as you see fit.

Work with mentors and influencers.

Once you've established a baseline reputation, start reaching out to potential mentors



Developing a personal brand and becoming a thought leader takes effort and time. FILE

and other influencers in the industry. They should be relatively easy to find if you're pushing your content socially, and some of them might find you naturally without you lifting a finger.

Once you find a handful that are willing to work with you, stand back and observe. Talk to them about what's on their minds. Watch how they operate their own businesses. Read what they push to their blogs. The goal here is to learn from them, and to learn to think how they think.

Network like your life depends on it.

Continue working with your influencers and mentors but once you've become more familiar with the territory and the quality of your blog posts goes up, you can start networking with a heavier hand. Get involved on as many social media platforms as possible, and reach out to new people regularly. Attend in-person networking events and seek out speaking opportunities at live events.

The more people that are in your network, the more authority you'll have, and the weightier your words will be.

Get published, often.

Your blog is only the beginning. By this time, you should have a steady stream of regular readers who occasionally comment on and share your blogs. It's time to take things to the next level. Start publishing guest posts on other industry-related blogs, and once you're comfortable, start seeking publication on wider, more authoritative sources.

For example, you could get yourself published in an industry magazine or on one of the leading publication channels online. You'll want to get work published on a wide range of different sources, and the more often you do it, the bigger your audience will grow.

Make bolder claims and drive newer things.

At this point, you've established your reputation as an authority in the industry, and there's only one more step to take: you have to become a leader, and to do that, you have to do new things. Start making bolder claims in your articles, and making bigger predictions about the future of your industry.

Drive change and innovation in your own business, and publicise those efforts. With your authority already established, people will immediately begin to see you as a bona fide thought leader.

Don't try to follow all these steps in a day. Developing a personal brand and becoming a thought leader is a process that takes years, even if you put your full effort into it. No matter how much it might seem that way, nobody becomes a success overnight. You'll have to work hard, and consistently, if you want to attain the coveted yet unofficial title of "thought leader."

-ENTREPRENEUR

Common mistakes to avoid when making a business plan

Writing a business plan is one of the first major steps you'll take as an entrepreneur. It's the tangible divide that separates entrepreneurs who just have an interesting idea and those who have a real, promising structure in place. It's a key that opens doors to investors, partners and employees, and the blueprint that makes the first few years of your operations possible.

Accordingly, the strength of your business plan has a major influence on the outcome of your business, especially in the beginning.

When writing your business plan, avoid these five all-too-common mistakes:

Ignoring a major section.

There are no firm rules on what constitutes a business plan, per say, but the mentors and investors who will be perusing your work will have

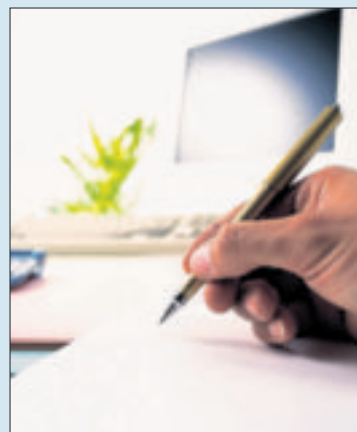
certain expectations about its content. You need a business summary page, a model for growth that includes financials and you need to describe your target audience and explain why they need your product.

List your competitors and describe why you are better than they are. Mention your hiring plan and how you plan to grow. A business plan missing any of these critical components could instantly disqualify you from further conversation.

Neglecting the research.

People want to see objective numbers that support an idea. You might have imagined the product perfectly, but if the data doesn't support your supposition no investor will support you.

Take the time to do your research. Look at your target demographics,



The strength of your plan influences the outcome of your business. FILE

how well your competitors have performed and projected growth rates in your industry and similar statistics. Hard facts can't be refuted, so the more of them you include in your business plan, the better.

Being vague.

When you start developing your business idea, it may come to you in fuzzy terms. You might think of your new app as "some way" to help people cook breakfast, but that vague language isn't going to cut it for serious investors and potential partners.

To make a good impression and solidify your business plan, you'll need to be as detailed as possible. Explain exactly what the app is, exactly what it does, exactly how long it will take to develop and exactly how you plan to market it.

Writing in a closed system.

You came up with your idea, you thought about it thoroughly, you did some Google searches to find data supporting your idea, and you spent weeks fleshing out the entire business plan in your basement. It's

comprehensive, well-researched, and well-written, but there's one problem: you wrote in a closed system.

You didn't get any outside opinions or feedback before completing your work, and in all likelihood, you failed to address significant problems that didn't occur to you but would have to someone else. You prevent this by conducting market research or surveys about your product and talking to colleagues, family and friends.

Boring your reader.

While it's tough to liven up your financial spreadsheets, make your plan more exciting wherever you can. Talk about the possibilities for future expansion. Show your passion for the idea. Write colloquially and informally, when appropriate, to reach your audience directly.

-ENTREPRENEUR

» **TACTICS** Today's buyers are wiser and see through the insincerity of a seller

How salesmen drive away buyers



SALES PITCH

JOHN KAGECHE

There was a time when sellers were encouraged to listen keenly to a buyer with the sole intention of listening for a problem. Upon the mention of the problem, the seller would come out guns blazing with how his product could solve the issue. He would then keep harping on this with every follow-up. And he found the buyer's interest waning with every correspondence.

I fell for it too; I listened for a problem. The prospect was busy explaining away her company's position and instead of listening I foolishly awaited my turn to speak. And so, like a man drowning, I latched onto the first mention of a problem, clutching at straws. And so I drowned. The buyer disconnected.

This approach was myopic, transactional and selfish.

Today, buyers see through this insincerity. They are wiser, busier and more knowledgeable. Like a consummate doctor, the progressive seller actively listens with the intention to explore and genuinely understand.

The latching-on-to-bait approach limits the seller and irritates the buyer. The sale is impeded because the connection is broken. "She doesn't care about me or my problem. She's just after a kill," the buyer muses and switches off. Tragically, he won't tell you why; and being pompous, you will be none the wiser.

This approach also gives your competitor an opportunity to close the sale by exercising genuine concern and a desire to help.

Buyers are usually more experienced than the seller because they have been "hit-on" much more than the seller has presented. And therefore, experienced buyers will test your authenticity by baiting you with a "problem". You are wise not to clamp down on the bait like I did. Prod, probe and provoke.

It serves two purposes: it shows a genuine concern, grows your capacity to listen and many times will unearth the root cause of the predicament. Most times buyers express a symptom (the situation) and not the root cause (the revelation). A headache is overt but the viral infection causing it is covert. The situation may see you sell the pen but the revelation could see you stock a library.

Whereas this doctor approach is



Sellers who latch onto the first mention of a problem are likely to drive away buyers. FILE

universal in all selling situations, it is more pronounced in business to business selling where the decision making process is much more complex than in a business to customer scenario. It takes longer to dredge the root cause when dealing with many people, a system and a process than when dealing with one individual.

But why would the seller seek bait? Because of ill preparation (he hopes to wing it); indifference (when is this ending? I need to get to my next "hit"); or familiarity ("He's my boy").

Sometimes the sale happens, like the charlatan who gets paid because he alleges to cure joblessness. But as

Bob Marley says, "You can fool some people some time but you can't fool all the people all the time." Such sales lack staying power – they quickly run out of steam and the seller is always looking over his shoulder.

Latching onto the first mention of a problem places you on the same pedestal as the swindler. You are better than this. If it has happened once don't beat yourself too much; learn from it as I did.

Kageche is lead facilitator, Lend Me Your Ears, a sales training and development firm. Email: lendmeyourears@consultant.com

BottomLine



An exit or transition plan allows you to refocus your business. FILE

Make an exit strategy part of your business plan

Veteran entrepreneur Celeste Hilling, CEO and founder of 10-year-old lifestyle company Skin Authority, stumped me when he asked me what the short term and long term goals for my business were.

When I started Deborah Mitchell Media Associates a few years ago, I was primarily concerned about getting it up and running, but Hilling explained that an exit strategy should be a part of every business plan.

"At the start of your venture, have a plan for how you want to exit or transition from the business. This will help you be clear in your focus, share a clear vision for your staff and navigate times when you are confused," Hilling says. "You can use the end game as your compass. Does this decision put you within reach of your end goal? Do you want to sell the business to a public company, use it to produce cash for your lifestyle or create a legacy for your children's future? This decision will help direct your path in channels, distribution, brand profile, partnerships, media, etc."

It turns out, without a detailed exit strategy, I have been working harder, not smarter, with no real plan for the end. Saying yes to everything is often tempting, especially when you are trying to grow a business. But saying no and offering a defined set of services could be a better route to go. Sara Walker-Santana, co-founder of the digital agency Digital-Flash, says that "finding the one or two things your company excels at and that you enjoy doing, most of the time, is the way to go. You and your clients will be happier."

Need help refocusing your business? Consider hiring a business coach and explain that you are interested in also developing an exit strategy for both the short and long term. In the meantime.

Here are a few tips for any business person planning an exit strategy:

Reassess your business.

Have a six-month plan. What is the end goal for your business? Do you want to sell it or go public? With your exit strategy in mind, reassess your business every six months.

Is your goal still relevant?

As social media and technology make data available in real time, the business landscape is quickly changing. Are all of the indicators driving toward your end goal? What has changed? Is your goal still relevant to the competitive landscape?

How is your brand appeal?

Test your customers, suppliers and partners for their perceptions of your brand and standing. Use the data you collect as input, but factor in your gut perceptions and perspective for the final decision.

"There's nothing quick about being an overnight sensation. However long you think it will take, double it. Whatever cost you think, double it," Hilling says. "Don't be surprised that it will take you at least five years, eight to 10 years on the average, to get to the end game. Make sure you have staying power in both cash and positive motivation."

- ENTREPRENEUR



Motivation elements that make a great investor pitch

Investors have business motives, so using customer motivations to attract investors won't work.

One of the most common red flags I hear from my fellow investors, and even customers, is that they hear yet another "solution looking for a problem." These don't get funded, nor bought by customers.

Beyond that common starting point, the why and how of the business are more important to investors than the what. Here are the motivation elements that investors expect to hear in a pitch:

Size and growth potential of the market opportunity

Your customers don't care if you are targeting a billion-dollar market and growing at double-digit rates, but investors will skip small or shrinking opportunities. Large and growing markets imply a high startup growth potential, with high odds of scaling and success.

How the solution and business model work to fund the business

Every customer understands that your solution has to generate more revenue than cost, but you should not put that data in a customer pitch. Investors will impatiently expect a winning business model,

customer segment definitions and volume projections.

Competitor positioning and sustainable competitive advantage

How you intend to beat specific competitors (business model, intellectual property) is a key investor decision criteria. Your solution may be a technological marvel, but if it is vulnerable to competitors, potential investors will likely walk away. "First to market" is not sustainable by a startup.

Startup team strengths and domain experience

Customers may be attracted to your marketing message, but investors look harder at the startup team, seeking superior expertise in the key areas of growing a business, product domain, financial, marketing and sales. In my experience, the team's credentials are more important than the product.

Specific elements of your marketing and sales plans

Investors expect an overall strategy with specific budgets, milestones and metrics. Partnerships, distribution channels and pricing models should be included.

Projected revenues and expenses over the strategic period

Typically, investors want to see five-year financial projections to check your commitment and understanding of the business's potential. This allows them to calculate burn rates, break-even points and forecast the company valuation over time.

Immediate investment requirements and use of funds

No investor pitch should end without asking for a specific amount of money, providing some details on how that money will be used and what equity in the company you are offering in return. Investors are also interested in future investment requirements, time frames and long-term strategy.

Potential investor return calculation and exit strategy

Startup investments are extremely risky, primarily because the stock has no value until a future liquidity event, such as an acquisition or public offering. The entrepreneur needs to show a strategy for such an event, and a projected value and return to the investor.

- ENTREPRENEUR



John Kerry swaps crutches for Kennedy clan cane

US Secretary of State John Kerry on Wednesday swapped the crutches he has been on since breaking his leg in a cycling accident in May for a silver-handled cane that served successive members of the Kennedy clan, including former president John Kennedy and his father Joseph.

"This cane has a history," Kerry joked at the start of one meeting in Kuala Lumpur. "This cane belonged to Ambassador Joseph B. Kennedy in England during the war. And after the war, President Kennedy, before he became president, used this cane when

his back was bad after the war," he said. "And then Teddy Kennedy, who broke his back, used the cane," Kerry said, adding that Teddy Kennedy had loaned him the stick twice in the past after he had an operation on his knee. "So when Vicki Kennedy, his widow, heard that I had broken my leg, she knew I was going to need the cane," Kerry said. "She loaned it to me. So here it is. It's - and the third time I've used it."

Kerry, an avid sportsman, broke his right leg in an accident while cycling a portion of the Tour de France route near Scionzier, France, on May 31.



» TIMES CROSSWORD 24,926

1		2		3		4		5		6		7	
8								9					
10				11									
12			13						14				15
								16					
17	18					19						20	
						21							
22										23			
24						25							
26					27								

- Across
- 1 Unhappy, being left to open French and Spanish wines (10)
- 6 Mark time after retiring? Terrific (4)
- 8 Nine owls flying about where it's high and cold (8)
- 9 Brisk pace mostly adopted by staff nurse (6)
- 10 Detective work: hunt down missing husband (4)
- 11 Present award, say, for business initiative (10)
- 12 Hand out a soft drink about middle of afternoon (9)
- 14 Duos rendering songs with power (5)
- 17 Port should be kept in bottle, I think (5)
- 19 Stuck in marshy ground, Magwitch wants large drink (9)
- 22 Mother and father are in such a state (10)
- 23 Shoe tree oddly unsuitable as present (4)
- 24 Type of garment one shortened by mistake (4-2)
- 25 Containers of compost gardener initially obtains on line (4,4)
- 26 Our last king's appeal for courage and determination (4)
- 27 Servant's to offer help feeding people (10)
- Down
- 1 Live entertainment thus gets a bit of a laugh in Scottish island (5,4)
- 2 Using dictionary, checks graffitist's spelling of "school"? (5,2)
- 3 Perhaps a Crufts winner fails to finish piece of meat (8)
- 4 Instrument out of tune in Elgar concerto (10,5)
- 5 Sound quality of broadcast about preserving old railway (6)
- 6 Moving display given by actor performing in style (9)
- 7 In speech shopkeeper is more vulgar (7)
- 13 Photo sent for development immediately (2,3,4)
- 15 Writer still cherished among foremost of Scotland's top novelists (9)
- 16 Combat ruin, getting in right mess here? (8)
- 18 English novelist, man of letters for the modern age? (7)
- 20 Leader struggles to contain western islands (7)
- 21 In school clear up nasty smell (6)

» SUDOKU PUZZLE 053

How to play

Fill the grid so that every row, every column and every 3x3 box contains 1-9.

You solve the puzzle with reasoning and logic and not mathematical ability

	6				1	8	3	
1	9		8		3	5		
						4		
				6			7	1
3								5
5	2			3				
		9						
		2	5		7		6	3
	3	7	4				5	

TIMES 24,925

SUDOKU 052

6	4	2	8	7	1	5	9	3
7	5	8	9	3	6	2	4	1
9	3	1	4	5	2	7	6	8
3	2	5	7	6	4	1	8	9
4	9	7	1	8	3	6	5	2
1	8	6	5	2	9	3	7	4
8	6	9	3	1	7	4	2	5
2	1	4	6	9	5	8	3	7
5	7	3	2	4	8	9	1	6

THE Business OF Sports



▶ RACING Event seen as sports tourism as lender partners with counties Battle of engines heads to eastern as KCB rally returns to Machakos

BY KOOME KAZUNGU

KCB Rally will this weekend see drivers crisscross Machakos and Makueni counties. Kenya National Rally Championship (KNRC) leader Jaspreet Chatthe, who is fresh from winning the ARC Rwanda Mountain Gorilla rally, is expected to battle for top honors with Ian Duncan who is second in the standings.

Alastair Cavenagh will miss out on the rally as series leader Chatthe takes on Ugandan Jas Mangat and Finland's ace Tapio Laukannen.

Speaking during the launch, KCB head of forex sales Louis Karisa says the bank envisages to have motorsport as part of its DNA.

"We are nearing the end of the rally season and our main aim is to take motorsport to the Kenyans and encourage entrepreneurship", said Mr Karisa.

The Machakos route will be more thrilling as the drivers tackle hilly plains covering a total competitive distance of 171 km in the sixth round of the KNRC Series.

Quentin Mitchell will be first off the ramp powering a Skoda Fabia, followed by Ian Duncan in the rally that has been organised by Rale Motor Sports Club.

"I am looking forward towards a good finish. We have had a quite difficult season but we will change that in the forthcoming races," said Quentin.

This year's rally revisits some of the previous routes though the liaison distance is shorter. Drivers will expect an all-weather surface. The Cs 1 will be quite technical and tricky and drivers have to be at their best to tackle the 10km at first stage, before heading to the 21km Cs 2 stage at Mumandu. The drivers will then tackle the Kapiti plains and Konza stretch for 35km.

Ian Duncan will be navigated by Tom Taylor in a Mitsubishi Evolution 10, while Carl Flash Tundo will be aiming to improve his standings from position 8 after the Eldoret rally.



Ian Duncan and Amaar Slatch splash through the mud in their Mitsubishi Evo 10. FILE

Baldev Chager and Onkai Rai will lead Team Kabras in the outing while two Ford Fiestas R5 will be powered by Manvir Baryan and Rajbir Rai.

Finland ace Tapio Laukannen will be navigated by Pasi Torma in a Subaru Impreza GVB 13, with Raaji Bharij of Delights Motorsport, Ugandan Jas Mangat and Imran Mogul also expected to offer stiff competition for the podium finish.

In the battle of the engines 17 Mitsubishi Evolutions and 13 Subaru Impreza's will be roaring in the plains of Machakos County.

Eric Bengi will be leading the 2WD category with Leonardo Veresse, Sammy Nyorri, Raju Sagoo and Alex Lairang'i also battling for top honors.

Baldev Chager leads in Group N with Ian Duncan and Onkar Rai taking the second and third position with 83.5 and 65.5 points respectively. Denis Mwenda leads division two ahead of Asad Khan, Izra Mirza and Tejveer Singh Rai. Mwenda will be driving a 4WD car

for the first time, navigated by Job Njiru in the Mitsubishi Evolution 9 car.

Division one also promises to be thrilling with Mahesh Halai gunning for bragging rights with two times 2WD champion Jasmeet Chana. Top navigators so far include Gugu Panesar, Ravi Soni and Gareth Dawe in the KNRC standings after the Eldoret Rally.

Reconnaissance will take place on Friday August 7 at the Shell Petrol Station, Machakos branch, followed by scrutineering on the same day. The rally will be flagged off at KCB Machakos branch on Saturday at 7am. The drivers will then head to the Cs 1 Machakos People's Park drive through Kimwutwa 1 to the Cs 2 Machakos Road. From here they will refuel before heading to Cs 3 Katumani followed by the Cs 4 Kapiti plains.

The rally promises to be challenging for the modern cars and the ability of conventional Subaru's and Mitsubishi's to compete with R5 and S2000 cars that have incredible acceleration will be put to test.

YouTube javelin champion Julius Yego gets a coach

BY KOOME KAZUNGU

YouTube javelin sensation Julius Yego request to Athletics Kenya and Kenya Defence Forces (KDF) to allow Joseph Koech Mosonik to coach him during the World Championships set for Beijing and beyond has borne fruits. The athlete who has not had a coach says he needed someone to help him interpret the YouTube techniques in order to perfect his skills.

"It's good when you get someone you are working with since it helps you improve on many aspects. Mosonik has helped me a lot and I hope to go far with him", admits Yego.

The country's javelin hero says there are many aspects of the track field event that require close monitoring and physical coaching.

The pair has been working closely for the last three months, an undertaking that saw Yego perform well in Rome, Ostrava and the monstrous throw in the Birmingham Diamond League meet.

Yego and his coach will be working on abdominal speed, runway techniques and advanced throwing techniques ahead of the World Championships this year.

The KDF high jump, pole vault and field event coach is optimistic that Yego will improve on his performance this year. Mosonik, 55, has been advising Yego since 2007.

Yego believes Mosonik will help him to improve on his speed, accuracy, strength and momentum and better his 91.39-meter Diamond League and African record in Beijing later this month.



SPORTS BRIEFING

Mourinho says disagreements with Chelsea owner are over

Chelsea manager Jose Mourinho's previous disagreements with owner Roman Abramovich are over and he is ready to fight for his fourth Premier League title starting this weekend, the Portuguese said on Tuesday.

In his first spell at the club, starting in 2004, Mourinho won the league in both his first two seasons, only to fall out with the Russian owner and leave in September 2007.

He returned two years ago, finishing third in his first season and then winning the title again in May.

"In my first period, my personal relationship (with Abramovich) was very good (but) professionally we had some interferences and a bit of a disagreement with some ideas," Mourinho told Sky Sports News. "In this moment we don't have this problem. When I left Real Madrid to come here, Mr Abramovich asked me to fight for titles.

"In my first season we were almost there, in my second season we did it and in my third season if you are close, you can always do it."

Chelsea are aiming to become the first team to retain the title since Manchester United in 2009 and Mourinho believes it

will be the usual clubs challenging them. "The top five are the top five, and why not a club like Tottenham to get in there?" he said.

Ki hopes to upset Chelsea in Swansea's league opener

Swansea City midfielder Ki Sung-yueng hopes his side can repeat last season's opening-day shock when they face champions Chelsea at Stamford Bridge in the Premier League this weekend.

Ki scored in the win over Manchester United on the first day of last season as Swansea went on the finish a creditable eighth in the Premier League.

"We had the perfect start last year which set us up for the rest of the campaign," the 26-year-old South Korean international was quoted as saying on Swansea's website.

Ki is aware of the enormity of the task at hand against Jose Mourinho's side.

"It's going to be tough, but hopefully we can do the same again," Ki said. "Our preparation has been good over the last six weeks. We've trained very hard and everyone is ready to go.

"Chelsea are the defending champions, and worthy champions at that," he added. "We know we will have to be at our very best to come away with a positive result."



Arsenal midfielder Abou Diaby (right) vies with Swansea City's Ki Sung-Yueng. AFP

60 Seconds

Your minute of the day



Pierre Nkurunziza,
Burundi President
page 9



Ban Ki-moon UN Secretary
General, page 13

TOMORROW
BDLife

Top 40 under 40
women 2015

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-47.51

FTSE 100
3,185.60
24.93

XETRA
11,584.96
128.89

CAC 40
5,167.84
55.70

FTSE MIB
23,661.14
187.89

SMI PR
9,486.20
6.00

HANG SENG
24,514.16
108.04

NIKKEI 225
20,614.06
93.70

ALL ORD.
5,659.48
-22.39

STRAITS
4,109.99
5.52

S&P SENSEX
28,243.06
171.13

CURRENCY RATES

\$: 101.11
£: 157.10
€: 109.85

Ush 34.37
Tsh 20.90
SAR 7.92

Africa

Sudan accused of war crimes

Amnesty International has accused Sudan's army of committing war crimes by bombing and shelling civilians in its South Kordofan region.

More than 374 bombs, including cluster bombs, were dropped in 67 locations between January and April, killing at least 35 people, the human rights group said. Sudan's army has not yet commented on the allegations. It has been battling rebels demanding more rights for the region since 2011.

At least 1.4 million people, or a third of South Kordofan's population, have fled their homes because of the conflict, Amnesty said in a report.

African Union chief mediator Thabo Mbeki is currently in Sudan's capital,



Khartoum, where he is expected to discuss the conflict with government officials, the AFP news agency reports.

Boko Haram kills 8, seizes 100

At least eight people were killed and about 100 others were kidnapped by suspected Boko Haram militants in an overnight raid on a village near Cameroon's northern border, a local government and a military source said. Tchakarmari, the village targeted early

on Tuesday, lies north of Maroua, where dozens of people were killed in a series of suicide bombings by the Nigerian Islamist group last month. "Residents said the attackers headed back to Nigeria where Cameroon is not allowed to pursue them," the local government source in the Far North region said.

A senior officer deployed as part of a Cameroonian military operation aimed at curbing the spillover of violence from Boko Haram's stronghold in north-eastern Nigeria said the attackers had crossed over shortly after midnight.

Gaddafi 'abuse' video probed

A video appearing to show a son of former Libyan leader Col Muammar Gaddafi and other prisoners being

abused in jail is being investigated. The video shows Saadi Gaddafi (pictured) screaming as he is beaten by guards on the soles of his feet. Tripoli's public prosecutor said he would work to identify the guards shown and take legal action against them. Campaigners have condemned the footage, which was made available by online site ClearNews. "No exceptional circumstances justify



torture or other ill-treatment," said Human Rights Watch's deputy Middle East director, Joe Stork.

Market Activity

	LAST	PREVIOUS
MARKET CAP IN SH BN	2,041.76	2,047.77
TOTAL SHARES TRADED	63,886,500	105,586,500
EQUITY TURNOVER IN SH	1,853,323,002	1,879,995,344
BONDS TURNOVER	2,154,950,000	3,150,056,250
TOTAL DEALS (BONDS)	48	21
TOTAL DEALS (EQUITY)	1,798	1,346
NSE 20 SHARE INDEX	4,317.23	4,343.16
NSE ALL SHARE INDEX	145.82	146.25
FTSE NSE KENYA 15 INDEX	188.96	189.54
FTSE NSE KENYA 25 INDEX	187.79	188.48
FTSE NSE KENYA BOND INDEX	91.58	91.50
FTSE ASEA PAN AFRICAN INDEX	1,142.24	1,134.28

HE SAID



"When your values are clear to you, making decisions becomes easier."

-Roy E. Disney
Executive for The Walt Disney Company
(1930-2009)



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WEATHER

High 25°C (78°F) Low 14°C (56°F)

Nairobi: 3-day forecast

		High	Low
Thu	Mostly Sunny	23°C	14°C
Fri	Mostly Sunny	25°C	15°C
Sat	Mostly Sunny	25°C	14°C

World



Flash floods derail India trains

Two passenger trains in the Indian state of Madhya Pradesh have derailed minutes apart on a flooded bridge, killing at least 24 people, officials say. The trains were passing each other near the town of Harda when a flash flood triggered by heavy rain struck the bridge, reports said. The tracks collapsed and some of the carriages were submerged. Officials say at least 25 people have

been injured and another 300 rescued. The Kamayani Express travelling from Varanasi to Mumbai derailed first, while the Janata Express travelling in the opposite direction derailed shortly after. One passenger described water pouring through the carriages just after the accident. "Water filled the coach till here," the man, pointing to his waist, told a local TV station.

China detains Christians in row

Seven Christians have been detained in China accused of embezzlement and disrupting social order. Pastor Bao Guohua, his wife and five church employees were detained in Jinhua, in eastern Zhejiang province. But the church's lawyer Chen Jiangang

told the BBC he believed they were being punished for protesting against the removal of their church cross. The local government in Zhejiang has recently been ordering state-sanctioned churches to stop displaying crosses. Christians have said the crackdown is an attempt to rein in the influence of Christianity.

Experts to study 'MH370 part'

Experts in France are due to begin examining part of a wing that washed



up on the island of Reunion to see if it came from Flight MH370. The fragment, known as a flaperon, is from a Boeing 777, the same make as the missing Malaysian airliner. France has invited Malaysian and Australian aviation experts to help with the investigation.

Ex-first lady visits N. Korea

The widow of former South Korean President Kim Dae-jung has travelled to the North, hoping to ease tensions on the Korean peninsula. In 2000, Dae-jung held inter-Korean reconciliation talks - later winning a Nobel Peace Prize for his efforts. The two Koreas are technically still at war. Dae-jung, who died in 2009, was a supporter of rapprochement with Pyongyang.

Environment NEWS



Loss of world's rarest ape charted

Historical Chinese documents have helped scientists to track the decline of the world's rarest primates. Today, China has between 26 and 28 Hainan gibbons left, but government records that date back to the 17th Century show that gibbons were once widespread across half of the country. The apes began to disappear from the documents about 150 years ago.

Earth magnetic shield older

The Earth's magnetic field, which shields the atmosphere from harmful radiation, is at least four billion years old, scientists say. This is 550 million years older than it was previously believed to be. Scientists at Rochester University, New York, analysed crystals found in western Australia. Data on the field was found to be preserved in ancient crystals embedded in rocks.

Rock stacks reveal 'jumping' quakes

US scientists say they have solved the riddle of why a collection of balancing rocks near the San Andreas fault has never been toppled by earthquakes. Their decade-long study concludes that quakes can stop or "jump" due to interactions between the San Andreas and the neighbouring San Jacinto fault.